

FBI

TRANSMIT VIA:

☐ Teletype
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PRECEDENCE:

☐ Immediate
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CLASSIFICATION:

☐ TOP SECRET
☐ SECRET
☐ CONFIDENTIAL
☐ UNCLAS E F T O
☐ UNCLAS

Date 12/5/88

TO: DIRECTOR, FBI

FROM: SAC, MILWAUKEE (183A-580) (P)

SUBJECT:

SALLY ANN PAPIA;
 ET AL;
 LABOR MANAGEMENT RELATIONS ACT,
 1947 (TAFT-HARTLEY);
 EMPLOYEE RETIREMENT INCOME
 SECURITY ACT (ERISA);
 RICO;
 OO: MILWAUKEE

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Re Milwaukee teletype to the Bureau, dated 12/2/88.

Per referenced communication, Milwaukee is forwarding one copy of an 11/87 prosecutive report regarding captioned case for the Bureau's information. Also enclosed for the Bureau are two copies of a two count indictment which was returned on 12/1/88 against SALLY A. PAPIA.

V-23

DE-229

183-8132-15
 Sample

③ - Bureau (Enc. 3)
 2 - Milwaukee (183A-580)
 AMM:bjr
 (5)

16 DEC 9 1988

Approved: 

Transmitted

(Number)

(Time)

Per 

53 MAR 8 1989

FEDERAL BUREAU OF INVESTIGATION

Reporting Office MILWAUKEE	Office of Origin MILWAUKEE	Date 11/13/87	Investigative Period 5/85 - 11/13/87
Title of Case "CHANGED" SALLY ANN PAPIA ET AL		Report made by SA [redacted]	Typed By: bjr
		Character of Case LABOR MANAGEMENT RELATIONS ACT, 1947; EMPLOYEE RETIREMENT INCOME SECURITY ACT; OBSTRUCTION OF JUSTICE; RICO	

~~XXXXXX~~
PROSECUTIVE

Title changed to include full name of subject and name of second subject. Along with RICO predicate offenses.

INFORMANTS:

[redacted]

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Approved	Special Agent in Charge	Do not write in spaces below			
Copies made:					
1 - Organized Crime Strike Force - Chicago					
1 - Office of Labor Racketeering - Milwaukee					
② - Milwaukee (183A-580)					

Notations:

**GRAND JURY MATERIAL - DISSEMINATE ONLY
PURSUANT TO RULE 6(e), FED. R. CRIM. P.**

A*

COVER PAGE

FBI/DOJ

UNITED STATES DISTRICT COURT
EASTERN DISTRICT OF WISCONSIN

UNITED STATES OF AMERICA,

Plaintiff,

v.

Case No. 88-Cr-163

(Title 29, U.S.C. § 186(a)(2)
and 18 U.S.C. § 2)

SALLY A. PAPIA,

Defendant.

INDICTMENT

THE GRAND JURY CHARGES THAT:

COUNT 1

GENERAL ALLEGATIONS

1. At all times material to this Indictment, Sally's Steak House and Cocktail Lounge, Inc., better known as Sally's or Sally's Steak House, 1028 East Juneau Avenue, Milwaukee, Wisconsin, was a business incorporated within the State of Wisconsin and was an employer of employees engaged in an industry affecting interstate commerce; that is, the purchase and sale of food and beverages as a restaurant operation.

2. At all times material to this Indictment, Sally A. Papia was the chief operating officer of Sally's Steak House and was an employer and a person who acted in the interests of said employer of persons who were members or were eligible for membership in the Hotel, Motel, Restaurant Employees and Bartenders' Union, Local 122.

3. At all times material to this Indictment, the Hotel, Motel, Restaurant Employees and Bartenders' Union, Local 122, (hereinafter known as "Local 122") 231 West Wisconsin Avenue, Suite 602, Milwaukee, Wisconsin, was

ENCLOSURE

183-8132-17

1 a labor organization which did or would have admitted to membership employ-
2 ees of Sally's Steak House, and was itself a labor organization engaged in an
3 industry affecting interstate commerce.
4

5 4. At all times material to this Indictment, Sally's Steak House was
6 a party to a collective bargaining agreement known as the "1982-1985 Hotel
7 Agreement" for the period of June 16, 1982, through June 15, 1985 and the
8 "1985-1988 Agreement" for the period June 16, 1985 through June 15, 1988,
9 whereby all eligible Sally's Steak House employees were represented by the
10 Hotel, Motel, Restaurant Employees and Bartenders' Union, Local 122.

11 5. Beginning on or about December 22, 1983, and continuing until
12 on or about July 31, 1985, in the City of Milwaukee, in the State and Eastern
13 District of Wisconsin,

14 SALLY A. PAPIA,

15 the defendant herein, an employer of employees engaged in an industry affect-
16 ing commerce, did willfully and unlawfully pay to Local 122, approximately
17 \$1,689.64 as purported monthly payroll deductions covering union dues includ-
18 ing the following amounts:

<u>Check Date (Month Covered)</u>	<u>Check No.</u>	<u>Amount Paid</u>
December 22, 1983 (Nov. 1983)	4683	\$ 78.92
January 20, 1984 (Dec. 1983)	4823	\$ 78.92
February 22, 1984 (Jan. 1984)	4996	\$ 78.92
March 21, 1984 (Feb. 1984)	5154	\$ 78.92
April 20, 1984 (Mar. 1984)	5291	\$ 78.92
May 24, 1984 (Apr. 1984)	5467	\$ 78.92
June 22, 1984 (May 1984)	5615	\$ 78.92
July 19, 1984 (June 1984)	5748	\$ 78.92

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<u>Check Date (Month Covered)</u>	<u>Check No.</u>	<u>Amount Paid</u>
August 18, 1984 (July 1984)	5893	\$ 78.92
September 19, 1984 (Aug. 1984)	6054	\$ 78.92
October 20, 1984 (Sep. 1984)	6216	\$ 78.92
November 23, 1984 (Oct. 1984)	6400	\$ 85.92
December 20, 1984 (Nov. 1984)	6549	\$ 85.92
January 23, 1985 (Dec. 1984)	6751	\$ 85.92
February 13, 1985 (Jan. 1985)	6831	\$ 73.86
February 13, 1985 (Feb. 1985)	6832	\$ 97.98
March 20, 1985 (Mar. 1985)	7031	\$ 97.98
July 31, 1985 (April 1985)	7533	\$ 97.98
July 31, 1985 (May 1985)	7534	\$ 97.98
July 31, 1985 (June 1985)	7535	\$ 97.98

All in violation of Title 29, United States Code, Section 186(a)(2) and Title 18, United States Code, §2.

COUNT 2

1. THE GRAND JURY REALLEGES ALL OF THE ALLEGATIONS CONTAINED IN PARAGRAPHS 1 THROUGH 4 INCLUSIVE, CONTAINED IN COUNT 1 OF THE INDICTMENT HEREIN AND FURTHER CHARGES:

2. That beginning on or about August 14, 1985, and continuing until on or about June 19, 1986, in the City of Milwaukee, in the State and Eastern District of Wisconsin,

SALLY A. PAPIA,

the defendant herein, an employer of employees engaged in an industry affecting commerce, did willfully and unlawfully pay to Local 122, approximately \$2,306.14 as purported monthly payroll deductions covering union dues including the following amounts:

<u>Check Date (Month Covered)</u>	<u>Check No.</u>	<u>Amount Paid</u>
August 14, 1985 (July 1985)	7612	\$ 195.46
August 14, 1985 (Aug. 1985)	7613	\$ 195.46
August 28, 1985 (Sept. 1985)	7704	\$ 195.46
November 6, 1985 (Paid to date)	8076	\$ 446.50
November 21, 1985 (Dec. 1985)	8184	\$ 158.72
December 26, 1985 (Jan. 1986)	8340	\$ 159.22
January 22, 1986 (Feb. 1986)	8491	\$ 159.22
February 20, 1986 (Mar. 1986)	8620	\$ 159.22
March 20, 1986 (April 1986)	8769	\$ 159.22
April 21, 1986 (May 1986)	8936	\$ 159.22
May 20, 1986 (June 1986)	9088	\$ 159.22
June 19, 1986 (July 1986)	9237	\$ 159.22

All in violation of Title 29, United States Code, Section 186(a)(2) and Title 18, United States Code, § 2.

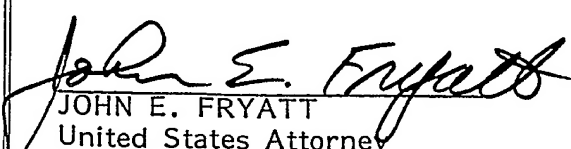
A TRUE BILL:

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FOREMAN

Date: DEC 01 1988


JOHN E. FRYATT
United States Attorney



FEDERAL BUREAU OF INVESTIGATION

PROSECUTIVE REPORT OF INVESTIGATION CONCERNING

[REDACTED]

SALLY ANN PAPIA;
LABOR MANAGEMENT RELATIONS ACT, 1947;
EMPLOYEE RETIREMENT INCOME SECURITY ACT
OBSTRUCTION OF JUSTICE
RACKETEER INFLUENCED AND CORRUPT ORGANIZATIONS

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Copy to: 1 - Chicago Organized Crime Strike Force
(Attention: Special Attorney [REDACTED])
1 - Office of Labor Racketeering - Milwaukee

103-2132-17

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Report of: SA [REDACTED]
Date:

Office: MILWAUKEE

Field Office File # MI 183A-580

Bureau File #

Narrative of Offense: I. OVERVIEW

In September, 1984, source information was obtained that SALLY A. PAPIA, defacto owner and operator of SALLY'S STEAK HOUSE AND COCTAIL LOUNGE, INC., 1028 East Juneau, Milwaukee, Wisconsin, was receiving pressure from [REDACTED] of Hotel, Motel Restaurant Employees and Bartender Union, Local 122, and the BALISTRIERI family to further unionize her restaurant. SALLY'S STEAK HOUSE is a very well known and established Italian Restaurant which was opened by PAPIA and has been in operation for approximately 20 years.

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It was determined that SALLY'S STEAK HOUSE was considered to be a unionized employer by Local 122 and that a written and signed 1982-1985 contract existed. (Subsequently, in November, 1985, a second 1985-1988 contract was signed).

[REDACTED] of Local 122 was identified as a former BALISTRIERI employee and close associate of JOE [REDACTED] BALISTRIERI. (The BALISTRIERI families' relationship with Local 122 prior to [REDACTED] was known). [REDACTED] started with Local 122 as [REDACTED] in 1980, and he was [REDACTED] in November, 1983. In 1984, [REDACTED] was [REDACTED] for the Hotel Employees and Restaurant Employees (HERE) International Union, Seventh District. [REDACTED] served as [REDACTED] beginning in 1982 and January 1984, he became [REDACTED]

During 1984, [REDACTED] served as [REDACTED]

Attention was primarily focused on the relationship between Local 122, SALLY'S STEAK HOUSE, and JOSEPH [REDACTED] BALISTRIERI during the period January, 1984 to July, 1986. During the period from January, 1984 to October 12, 1984, monthly "Union Dues", payments totaling \$631.36, were made by SALLY'S STEAK HOUSE to Local 122. From October 24, 1984 through July 22, 1986, these payments continued totaling \$3,365.80. These payments were made by SALLY'S STEAK HOUSE checks, signed primarily by PAPIA and mailed to Local 122. JAMES RAYMOND JENNARO, General Manager, signed two of these checks. These monthly payments purportedly represented the payment of Local 122 union initiation fees and dues being withheld by SALLY'S on behalf of certain employees of SALLY'S STEAK

NARRATIVE OF OFFENSE (Continued)

HOUSE who were listed as members of Local 122. These employees were listed as Local 122 members as reported on the Local 122 dues check-off statements sent to SALLY'S STEAK HOUSE. Dues Check-off statements are monthly statements sent by Local 122 to all unionized employers listing their employees who are having dues withheld. However, interviews with SALLY'S employees, who were reportedly Local 122 members, and covered by these payments; and review of SALLY'S 1984, 1985 and 1986 payroll ledgers, have indicated that no Local 122 dues or initiation fees were withheld from employee earnings. The reported Local 122 members at SALLY'S, except for three employees [REDACTED]

[REDACTED] also never paid their union dues directly to Local 122. Local 122 members at SALLY'S in most cases either did not know they were Local 122 members or had joined Local 122 because PAPIA had asked them to join and except for the three employees mentioned above, they had never talked to a Local 122 official. Falsified Local 122 membership applications, dated June 3, 1985, were submitted for twelve employees purportedly covered by the 1985-1988 contract. In two cases, PAPIA paid dues for employees who no longer worked at SALLY'S. The number of SALLY'S employees for whom she paid dues to Local 122 varied from seven during 1984 to 16 during the summer, 1985, finally remaining at 12 during the period November, 1985 through July, 1986. The restaurant regularly employed approximately 50 to 70 full and part-time employees in a variety of typical restaurant job classifications subject to unionization by Local 122. Until November, 1985, there was no semblance of particular unionized job classifications which represented a bargaining unit at SALLY'S STEAK HOUSE. Even in November, 1985, under the new contract, non-union employees remained in supposedly unionized job classifications. Clauses in both contracts pertaining to raises and benefits for purported Local 122 members at SALLY'S were generally not honored.

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II. CHRONOLOGY OF EVENTS

The first purported Collective Bargaining Agreement between Local 122 and SALLY'S STEAK HOUSE was titled the "1982-1985 Hotel Agreement". It was a Master Agreement negotiated by the Greater Milwaukee Hotel Motel Association; however, it was signed by PAPIA as the employer and PHIL VALLEY, [REDACTED] (former Local 122 [REDACTED] and [REDACTED] (then the Local 122 [REDACTED] for Local 122. SALLY'S STEAK HOUSE was not represented by the Hotel, Motel Association. The agreement was dated September 24, 1982, and expired on June 15, 1985. This agreement covered a number of rather standard collective bargaining areas including raises, fringe benefits and employer required contributions to the Milwaukee Hotel Industry Health and Welfare Fund and Pension Fund, which provided health insurance and pension benefits to members of Local 122. This agreement supposedly applied to a very small number of

NARRATIVE OF OFFENSE (Continued)

trusted SALLY'S employees who primarily joined Local 122 at PAPIA'S request. As indicated earlier, these employees did not pay Local 122 dues, never talked with a Local 122 official, had no knowledge of or participation in Local 122 affairs and received no significant union benefits. One employee was a manager. PAPIA made no contributions to the Health and Welfare Trust Fund, but did make some sporadic pension contributions. PAPIA provided alternative health insurance through Blue Cross/Blue Shield only for a few select employees regardless of whether they were shown to be Local 122 members or not. The great majority of SALLY'S employees could get Blue Cross/Blue Shield coverage only if they paid the \$200 monthly premium themselves.

Copies of the Blue Cross/Blue Shield statements for SALLY'S STEAK HOUSE for the period September, 1984 through May 20, 1985, along with copies of SALLY'S checks reflecting payments were obtained during a search of Local 122 offices. A handwritten note attached to this packet of documents states, [redacted] you wanted proof of employee benefits. Please find enclosed copies Sally". Review of these Blue Cross/Blue Shield statements indicated that during this period, PAPIA paid for health insurance for two employees who were Local 122 members, five other employees, as well as herself, her daughter and three other management personnel.

While PAPIA generally paid a higher hourly wage than the minimum union wage scale attached to the contract, the wage rate paid for waitresses and busboys was less than that mandated by the contract. Actual wage raises called for in 1984 by the contract were not implemented and vacation pay provisions were ignored.

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From January, 1984, to December, 1984, PAPIA paid monthly dues to Local 122 for seven long-time employees who worked in various job classifications at her restaurant. In September, October and November, 1984, [redacted] met with management at SALLY'S and sent correspondence about a "matter" [redacted] must resolve with PAPIA.

In December, 1984, [redacted] employed by SALLY'S STEAK HOUSE, on the advice of [redacted] [redacted] went to Local 122 and talked with [redacted] about joining Local 122 in order to obtain health insurance. [redacted] prior to meeting with [redacted] was not aware that SALLY'S was unionized and told this to [redacted] [redacted] had incurred \$3,043.78 in medical expensed in November, 1984, and expected further medical expenses.

NARRATIVE OF OFFENSE (Continued)

[] On January 4, 1985, [] joined Local 122 after [] promised her that if she joined Local 122 she would immediately have health insurance from the trust fund and that it would also cover []'S prior medical expenses incurred in November, 1984. [] signed the Local 122 application card, paid the Local 122 initiation fee and paid retroactive dues for the months October, November and December, 1984, and received a trust fund health card.

[] in discussions with [] suggested that she talk with other employees at SALLY'S about Local 122. [] indicated to [] that he knew PAPIA kept the restaurant's unionization from employees and they had further discussions about two employees PAPIA had listed as Local 122 members who should not have been on PAPIA'S dues check-off statement. [] subsequently talked with two other waitresses, [] who subsequently went to Local 122 and joined because of health insurance and job security needs respectively. Neither [] ever received health insurance benefits from the trust fund).

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On March 22, 1985, [] sent a notice to PAPIA announcing the opening of contract negotiations. []'S organizer report indicates a March 25, 1985, morning meeting with the manager of SALLY'S. The April, 1985 dues check-off statement sent by Local 122 to SALLY'S on March 27, 1985, listed eleven new names as members in addition to the old listed members. The statement called for the eleven new persons listed to fill out enclosed Local 122 membership applications and billed their initiation fees, plus February-April dues. None of these eleven actually became Local 122 members, although later false Local 122 membership applications were submitted in the names of six of these SALLY'S employees.

On March 29, 1985, PAPIA paid Local 122 dues for nine of her employees for the month of March, 1985.

The Milwaukee Hotel Industry Health and Welfare Fund Financial Statements, dated April 30, 1985, prepared for the fund by Accountants [] reflected a deficit fund balance of \$5,098 on April 30, 1985, and the possibility that the fund would be unable to pay claims incurred, but not paid, as of July 1, 1985. The statement reflected that SALLY'S STEAK HOUSE owed the fund \$2,505.

In May, 1985, PAPIA received two letters regarding back contributions the restaurant owed to the Milwaukee Hotel Industry Health and Welfare Fund. The first letter, dated May 21, 1985, was sent by []

NARRATIVE OF OFFENSE (Continued)

First Benefit Administrators, the Trust Fund Administrator, to PAPIA with copies to [] and Fund Attorney []. The letter stated that PAPIA owed \$2,904 based on the 1982-1985 agreement for eight months Health and Welfare contributions for eight eligible employees.

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The second letter from [] to PAPIA was dated May 31, 1985, and also contained a document, dated May 29, 1985, from []. These letters demanded total retroactive Health and Welfare contributions as per the 1982-1985 collective bargaining agreement in the amount of \$23,026.40.

On June 5, 1985, agents observed [] and [] in conversation while walking around the block at the Shorecrest Hotel. On June, 15, 1985, the 1982-1985 collective bargaining agreement expired.

According to a source [] and a unidentified second individual who accompanied [] [] PAPIA found [] meeting with [] []

On June 28, 1985, after receiving source information [] agents observed [] and [] leave SALLY'S STEAK HOUSE in the late morning. [] dropped [] off and then went to the Shorecrest Hotel where he briefly saw JOSEPH BALISTRIERI. Also [] sent [] []

PAPIA had ballots prepared which were dated June 28, 1985, and had her employees choose whether or not to be members of Local 122. The employees voted overwhelmingly against Local 122. PAPIA sent copies of these ballots to []

On July 23, 1985, PAPIA met with [] at the restaurant, and the conversation was recorded for PAPIA by a private investigator, [] who was also a participant in the conversation. The conversation related generally to SALLY'S difficulties with [] and specifically to [] own dealings with [] regarding []'s obtaining Health and Welfare Trust Fund payments for her medical expenses. [] was having bills submitted to the Fund Administrator; however, these bills were not being paid. [] had

NARRATIVE OF OFFENSE (Continued)

voted against Local 122 in SALLY'S June 28, 1985 election, but continued to pay dues to Local 122 for some months and for other months PAPIA paid [] dues.

On July 31, 1985, PAPIA sent three separate checks each in the amount of \$97.98 to Local 122, paying dues for eight named employees listed as Local 122 members. PAPIA sent the checks along with the Local 122 dues check-off statements for the months of April, May and June, 1985, to Local 122. The dues check-off statements as originally prepared by Local 122 listed 19, 20 and 20 names of SALLY'S employees respectively as being members of Local 122. The dues check-off statements returned to Local 122 from SALLY'S have these additional names beyond the eight marked "not members". These additional names added by Local 122 represented waitresses as well as a variety of other employees in various job classifications at SALLY'S STEAK HOUSE.

On August 6, 1985, [] of Local 122 [] signed a letter to PAPIA referencing a list of employees Local 122 received from PAPIA who were supposed to be Local 122 members and [] questioned why they were being told on the check-off statement that these people were not union members.

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On August 16, 1985, Local 122 received two checks from PAPIA in which it appeared, according to the \$195.46 amount submitted for each month, that PAPIA made monthly dues payments for sixteen names listed on the Local 122 dues check-off statements. These checks covered dues for the sixteen names for the months of July and August, 1985. However, the Local 122 dues check-off statements sent to PAPIA for these months required initiation fees for the new names, as well as dues and the total amount due exceeded the \$195.46 PAPIA paid. For example, the August, 1985 dues check-off statement alone had a total amount due of \$1,318.28. Local 122 receipt records indicate a portion of the \$195.46 received was recorded as initiation fees and the remainder as dues by Local 122. Once again, the employee names shown on the Local 122 dues check-off statement covered various job classifications at SALLY'S (including waitresses).

Source information was received that PAPIA was letting JIMMY JENNARO handle the union problem.

On August 27, 1985, at 1:46 P.M., ^{an} agent during a physical surveillance at the Shorecrest Hotel observed a Jaguar registered to JENNARO leaving the hotel parking lot as JOSEPH BALISTRIERI walked from this lot into the hotel. Later at

NARRATIVE OF OFFENSE (Continued)

5:43 P.M., agents observed JOSEPH BALISTRIERI and [] having a conversation as they were walking around the block at the Shorecrest Hotel.

On August 29, 1985, Local 122 received another \$195.46 check from PAPIA and returned dues check-off statement showing payment of dues for sixteen names for September, 1985. On this same date, agents inside SNUGS RESTARUANT, located at the Shorecrest Hotel, observed [] meet JOSEPH BALISTRIERI. [] carrying a blue folder, exited the restaurant with BALISTRIERI and entered the hotel. Approximately five minutes later, [] returned to the restaurant alone and then went to his automobile.

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In October, 1985, a new 1985-1988 purported Collective Bargaining Agreement, specifically between SALLY'S STEAK HOUSE and Local 122, was put into effect. The signature of [] Office Manager at SALLY'S appears for the employer on the agreement along with the signatures of [] and [] for Local 122. During later investigation, [] stated he did not sign this document. The signatures are not dated; however, the date, October 15, 1985, was handwritten elsewhere on the agreement. There is also a dispute as to whether a cover page attached to the agreement was recognized by Local 122. This cover page contradicts the body of the alleged Collective Bargaining Agreement.

The agreement appears to apply to twelve specifically named employees, none of whom are in the waitress job classification. It appears to cover all employees working in bartender and kitchen help job classifications only. However, SALLY'S payroll ledgers reflect several non-union employees in these same job classifications. Under this agreement, PAPIA paid a Christmas bonus in lieu of any pension payments and the issue of employee health insurance coverage remained unresolved. PAPIA made no contributions to the Health and Welfare Trust Fund for her employees. Blue Cross/Blue Shield records for SALLY'S STEAK HOUSE in May, 1985, showed that PAPIA'S alleged alternate health insurance covered five employees who were listed as Local 122 members on the 1985-1988 agreement. The agreement's twelve named SALLY'S employees listed as Local 122 members coincided with the subsequent Local 122 dues check-off statements sent to SALLY'S beginning with the November, 1985 statement. PAPIA'S payroll records reflect that she had been paying a Christmas bonus to some employees in 1984, usually in the amount of \$100. PAPIA'S pension payments per employee would have been \$120 a year (\$10/month). Pay raises specified in this purported agreement were not enacted. Although a select few employees did get a raise and paid vacations, those sections in the agreement were generally ignored. Later

NARRATIVE OF OFFENSE (Continued)

in the investigation, original and carbon copies of Local 122 membership applications, dated June 3, 1985, for these twelve named employees who were listed as Local 122 members, were obtained from SALLY'S STEAK HOUSE and Local 122 respectively. Subsequently, PAPIA stated she signed the signatures of her employees on the Local 122 membership applications. Eleven of the 12 employees stated clearly they did not sign the Local 122 membership applications. Ten of the employees indicated they were not members of Local 122; one stated he was a member of Local 122 and one was uncertain about membership.

The minutes for the Milwaukee Hotel Industry Health and Welfare Fund Trustee meeting, dated October 23, 1985, indicate that Attorney [redacted] advised that the Health and Welfare Fund was insolvent and would be that way for a period of time. The minutes also indicate that [redacted] was present at this meeting.

In a letter dated October 24, 1985, to PAPIA from [redacted] Local 122 refunded \$229.14 to SALLY'S STEAK HOUSE. This refund was for dues paid after the month of June, 1985, for SALLY'S employees who signed waiver forms, dated June 28, 1985, indicating that they no longer wanted to belong to the union. [redacted]'S name was listed.

On November 8, 1986, Local 122 received a SALLY'S STEAK HOUSE check in the amount of \$446.50, signed by JIMMY JENNARO and a returned dues check-off statement captioned "Dues owed through November, 1985". The check-off statement reflected that the balance of dues for September, October and November for eight employees was owed. In addition, the October initiations, as well as November dues were owed for four other employees. These twelve names coincided with the twelve names listed on the cover page of the 1985-1988 Agreement and with the twelve Local 122 membership applications, dated June 5, 1985. For the first time since January, 1985, the amount due on the dues check-off statement as calculated by Local 122 was paid by SALLY'S STEAK HOUSE.

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On November 15, 1985, First Benefit Administrators, administrators for the Milwaukee Hotel Industry Health and Welfare Fund, paid some \$3.200 in outstanding medical expenses previously incurred by [redacted]. The majority of [redacted]'S medical expenses paid by Local 122 were incurred in the month of November, 1984.

PAPIA continued to make regular payments to Local 122 from November, 1985 through July, 1986, in amounts that coincided with the monthly dues payments for the same twelve

NARRATIVE OF OFFENSE (Continued)

employees as listed on the cover page of the 1985-1988 Agreement. One of these employees, [redacted] stopped working at the restaurant in May, 1985; however, PAPIA'S payments for this employee continued.

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On August 13-15, 1986, the 12 SALLY'S employees, who were purportedly Local 122 members under the new 1985-1988 Agreement, were interviewed and shown copies of Local 122 membership applications, dated June 3, 1985, allegedly bearing their signatures. These employees had not seen the application before, and except for one long-time employee, did not know they were members of any union. These employees also denied giving permission to anyone to sign their names.

On September 9, 1986, PAPIA'S attorney, [redacted] in response to a subpoena, turned over eleven typed memos, dated May 31, 1985, bearing the authentic signatures of 11 of the 12 employees named on the Local 122 membership applications. These memos contained identical language which indicated that the named employees gave PAPIA permission to enroll them in the union if the restaurant became unionized. Subsequent investigation determined that PAPIA and her [redacted] [redacted] created these "permission slips" and had the employees sign them about two to three weeks after agents had conducted the August 13-15, 1986 interviews.

ENCLOSURES

The following items are enclosed for the Chicago Organized Crime Strike Force:

1. One copy of the 1982-1985 Hotel Agreement between SALLY'S STEAK HOUSE and Hotel, Motel, Restaurant Employees and Bartenders Union Local 122 (Local 122).
2. One copy of the 1985-1988 Agreement between SALLY'S STEAK HOUSE and Local 122.
3. One copy of Milwaukee Hotel Industry Health and Welfare Fund Group Benefit Plan Booklet.
4. One copy of a trasncript of a recorded conversation between SALLY PAPIA, [REDACTED] on July 23, 1985. The conversation was recorded [REDACTED] who was working for PAPIA and was done without the knowledge of [REDACTED]
5. Copies of two letters from [REDACTED] First Benefit Administrators, Inc. to SALLY PAPIA, dated respectively May 21 and May 31, 1985.
6. Copy of a letter from [REDACTED] to [REDACTED] dated May 29, 1985.
7. Copies of Local 122 membership applications for the 12 SALLY'S employees purported to be union members under the 1985-1988 Agreement. Also included are the 11 SALLY'S STEAK HOUSE "permission memos", dated May 31, 1985.
8. Copy of SALLY'S STEAK HOUSE check number 7951, dated October 14, 1985, made payable to First Benefit Administrators on behalf of [REDACTED] and attached handwritten note.

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NAMES OF DEFENDANTS

1. Name	[REDACTED]
Sex	Male
Race	White
Date of Birth	[REDACTED]
Place of Birth	[REDACTED]
Height	[REDACTED]
Weight	[REDACTED]
Hair	Black/silver
Eyes	Blue
Social Security	[REDACTED]
Account Number	[REDACTED]
Wisconsin Driver's	[REDACTED]
License	[REDACTED]
Occupation	[REDACTED]
Address	[REDACTED]
Telephone	[REDACTED]

Full text of interview on pages 23-27

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NAMES OF DEFENDANTS (Continued)

1. Name	SALLY ANN PAPIA
Sex	Female
Race	White
Date of Birth	March 20, 1932
Place of Birth	Milwaukee, Wisconsin
Height	5'4"
Weight	125 pounds
Hair	Black
Eyes	Brown
Social Security	
Account Number	395-20-4839
Wisconsin Driver's	
License	P100-7813-2600-06R
Occupation	Operator of SALLY'S STEAK HOUSE 1028 East Juneau Avenue, Milwaukee, Wisconsin
Address	2880 Menomonee River Parkway North, Milwaukee, Wisconsin
Telephone	(414) 771-0790

Full text of interview on pages 40-41

PROSECUTIVE STATUS

The Federal Grand Jury has heard testimony from several persons during this investigation. The following persons have [redacted] before the Grand Jury [redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

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[redacted]

[redacted] before the Federal Grand Jury (FGJ) during this investigation.

[redacted]

[redacted] refused to testify before the FGJ. [redacted]

[redacted]

An immunity request for [redacted] is now being reviewed

WITNESSES

I. Title 29, United States Code, Section 186

1. [REDACTED]

Milwaukee, Wisconsin
[REDACTED]

Can provide limited information regarding relationship between Local 122 and SALLY'S STEAK HOUSE.

[REDACTED] stated he had no contact with any SALLY'S employees

Also, can provide limited information on Local 122 relationship with other employees.

Full text of interview pages 4-8

2. [REDACTED]

Milwaukee, Wisconsin

Stated he was responsible for handling Local 122 grievances with employers and never received any grievances from Local 122 members at SALLY'S. He never talked with any employee of SALLY'S about Local 122. [REDACTED] was present with [REDACTED] during meetings with SALLY PAPIA. [REDACTED] and PAPIA talked about who would be in the union. Provided limited information about these conversations.

Full text of interview pages 9-18

3. [REDACTED]

Can provide details regarding [REDACTED] relationship with BALISTRERI family.

Full text of interview pages 19-22

4. [REDACTED]

WITNESSES (Continued)

[REDACTED]

Stated that it was not unusual to have a certain group of employees organized without the entire business operation being organized.

Stated that SALLY'S STEAK HOUSE had been unionized as long as [REDACTED] has been with the union and that any union election at SALLY'S would have been held long ago under PHIL VALLEY. In response to question about Local 122 grievances from SALLY'S STEAK HOUSE, [REDACTED] responded that Local 122 did not have any grievances on SALLY'S.

Stated that Local 122's agreement with SALLY'S had no amendments or riders.

Full text of interview pages 23-27

5. [REDACTED] Attorney at Law
Attorney representing SALLY PAPIA
One Plaza East
330 East Kilbourn Avenue
Milwaukee, Wisconsin
(414) 271-1440

Stated that PAPIA paid her union members dues herself, rather than withholding them from their wages.

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Full text of interview pages 28-31

6. [REDACTED]

Can provide details of Local 122's relationship with SALLY'S STEAK HOUSE from his general knowledge and from specific information obtained while attending meetings between [REDACTED] and PAPIA.

Full text of interview pages 32-35

7. [REDACTED]

WITNESSES (Continued)

[Redacted]

Full text of interview pages 36-39

8. SALLY ANN PAPIA
Operator of SALLY'S STEAK HOUSE, 1028 East Juneau,
Milwaukee, Wisconsin
2880 North Menomonee River Parkway
Milwaukee, Wisconsin
(414) 771-0790

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Made admission that she signed the names of 12 employees on Local 122 membership applications. Stated she wrote the signatures as best as she could recall their true signatures and in her second style of handwriting.

Full text of interview pages 40-41

9.

[Redacted]

Stated VALLEY and Local 122 did favors for their friends regarding union participation. He did not participate in any arrangements there might have been between VALLEY and SALLY PAPIA.

Full text of interview pages 42-43

A. SALLY'S STEAK HOUSE EMPLOYEES

10.

[Redacted]

No knowledge of Local 122 membership, did not pay any union dues. Stated he had recently signed SALLY's "Permission Memo" not as dated on the memo.

Full text of interview pages 44-45

WITNESSES (Continued)

11.

[Redacted]

Stated SALLY PAPIA enrolled him in Local 122 years ago, he did not pay dues and talked to one person from Local 122 a number of years ago about insurance. Can also provide some details regarding SALLY'S and Local 122's relationship.

Full text of interview pages 46-49

12.

[Redacted]

Stated he did not know whether he was or was not a Local 122 member, did not pay union dues, but stated he did sign the Local 122 application card.

Full text of interview pages 50-53

13.

[Redacted]

Milwaukee, Wisconsin

No knowledge of Local 122 membership, did not sign membership application and did not pay union dues. Stated she signed SALLY'S "Permission Memo" as dated.

Full text of interview pages 54-55

14.

[Redacted]

Milwaukee, Wisconsin

Stated she never joined Local 122 or talked with anyone from Local 122 about joining; however, she recalled discussion with [Redacted] about joining. She can provide some details of SALLY'S/Local 122 relationship.

Full text of interview pages 56-57

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WITNESSES (Continued)

15. [REDACTED]

Milwaukee, Wisconsin

No knowledge of Local 122 membership, did not sign membership application and did not pay union dues. Stated he probably signed SALLY'S "Permission Memo" within past three weeks and not as dated on memo.

Full text of interview pages 58-60

16. [REDACTED]

Stated she recalled signing a Local 122 membership application in 1978, possibly because management asked her to join. Stated she never talked to anyone at Local 122 and has never paid any union dues.

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Full text of interview pages 61-62

17. [REDACTED]

Milwaukee, Wisconsin

Stated he had no knowledge of Local 122 and has never been a union member, nor paid any union dues, or signed a Local 122 application. Stated he signed SALLY'S "Permission Memo" recently, not as dated.

Full text of interview pages 63-64

18. [REDACTED]

Had no knowledge of Local 122 membership, did not sign membership application and did not pay union dues.

Full text of interview pages 65-68

WITNESSES (Continued)

19.

[Redacted]

Milwaukee, Wisconsin

Can provide details regarding her joining Local 122 after talking with [Redacted] and details of Local 122/SALLY'S STEAK HOUSE relationship.

Full text of interview pages 69-73

20.

[Redacted]

Milwaukee, Wisconsin

Uncertain about Local 122 membership and paying dues, also uncertain about signing Local 122 membership application. Stated she signed SALLY'S "Permission Memo" as dated.

Full text of interview pages 74-77

21.

[Redacted]

Milwaukee, Wisconsin

No knowledge of Local 122 membership, did not sign membership application and did not pay dues.

Full text of interview pages 78-79

22.

[Redacted]

Milwaukee, Wisconsin

Refuses to answer questions about Local 122 membership card.

Full text of interview pages 80

23.

[Redacted]

Milwaukee, Wisconsin

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WITNESSES (Continued)

No knowledge of Local 122 membership, did not sign membership application and did not pay dues. Stated she signed SALLY'S "Permission Memo" as dated.

Full text of interview pages 81-82

24.

[REDACTED]
Milwaukee, Wisconsin
[REDACTED]

Stated she joined Local 122 in 1978 because SALLY PAPIA gave her membership application and asked her to complete it. She never talked to anyone from Local 122, but knew [REDACTED] [REDACTED] from SNUGS. She never paid any union dues.

Full text of interview pages 83-84

25.

[REDACTED]
Milwaukee, Wisconsin

Stated he had been a member of Local 122, but he had told SALLY PAPIA about a year ago, he did not want to be a member. Stated he had not signed Local 122 membership application, dated June, 1985, and had never paid any union dues.

Full text of interview pages 85-87

26.

[REDACTED]
Milwaukee, Wisconsin

Stated she has been a member of Local 122 for many years and paid her own dues directly to Local 122, but dropped out of the union in 1982 or 1983.

Full text of interview pages 88-89

27.

[REDACTED]
Milwaukee, Wisconsin
[REDACTED]

WITNESSES (Continued)

Stated she was a member of Local 122 before being employed by SALLY'S and wanted to retain union health insurance. Told there was no insurance and no union.

Full text of interview pages 90-91

28. [REDACTED]

Can provide details about 12 SALLY'S employees being enrolled in Local 122 by SALLY PAPIA without the employees knowledge. Can explain how Local 122 paperwork, employee benefits and payment of union dues were handled at SALLY'S. Also can explain how later, during the investigation, [REDACTED]

Full text of interview pages 92-94

29. [REDACTED]

Milwaukee, Wisconsin

No knowledge of Local 122 membership, did not sign membership application and did not pay union dues. Stated he signed SALLY'S "Permission Memo" after first interview and not as dated on the memo.

Full text of interview pages 95-96

30. [REDACTED]

Can provide details regarding her joining Local 122 for medical insurance after talking to [REDACTED] and details of Local 122/SALLY'S relationship.

Full text of interview pages 97-100

WITNESSES (Continued)

II. Title 18, United States Code, Section 664

31. [REDACTED]

[REDACTED]
Milwaukee, Wisconsin
[REDACTED]

Can provide historic details regarding operation of the funds and past fund administrators, and the financial condition of the fund in late 1985. Stated he could not recall any delinquencies being reported [REDACTED] for SALLY'S and could not recall discussion of any special claim regarding SALLY'S. Any special claim should be handled at trustee meeting.

Full text of interview pages 101-105

32. [REDACTED]

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Can provide general details regarding administration of Health and Welfare fund.

Full text of interview pages 106-108

33. [REDACTED]

[REDACTED]
Milwaukee, Wisconsin
[REDACTED]

Can provide details regarding circumstances of how [REDACTED] sought coverage of her medical bills from Local 122 and SALLY'S STEAK HOUSE, Stated he talked with JAMES JENNARO, Manager at SALLY'S.

Full text of interview pages 109-110

34. [REDACTED]

[REDACTED]
Milwaukee, Wisconsin
[REDACTED]

WITNESSES (Continued)

Can provide details regarding her relationship with [redacted] as well as how and why her daughter joined Local 122 and eventually had her medical bills paid for by the Milwaukee Hotel Industry Health and Welfare Fund.

Full text of interview pages 111-113

35. [redacted]

Can provide details regarding general procedures for paying claims for employees of delinquent employers and other information regarding internal operations at FIRST BENEFIT ADMINISTRATORS.

Full text of interview pages 114-117

36. [redacted]

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Milwaukee, Wisconsin
[redacted]

Can provide details on the current and historic operation of the funds. Blames poor fund administration for fund difficulties. SALLY'S STEAK HOUSE was not represented by the Hotel Association regarding her 1982-1985 agreement with Local 122. Not aware of any SALLY'S delinquencies, nor circumstances of payment of [redacted] medical expenses being brought [redacted]
[redacted]

Full text of interview pages 118-129

[redacted]

Can provide details regarding her notes concerning SALLY'S STEAK HOUSE during audit.

Full text of interview pages 130-135

WITNESSES (Continued)

38.

[Redacted]

Can provide details concerning funds insolvency and administration difficulties. No recollection of discussion regarding any SALLY'S STEAK HOUSE delinquent fund contributions nor payment of [Redacted] medical expenses [Redacted]. Also, can provide details regarding proper procedure for fund eligibility and payment of medical expenses.

Full text of interview pages 136-138

39.

[Redacted]

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Milwaukee, Wisconsin

Can provide details on SALLY'S STEAK HOUSE relationship with FIRST BENEFIT ADMINISTRATORS and the fund as well as exchange of information regarding actual payment of the [Redacted] [Redacted] medical claims.

Full text of interview pages 139-158

40.

[Redacted]

Milwaukee, Wisconsin

[Redacted]

Can provide details of the administration of the Milwaukee Hotel Industry Funds until June 1985, including details of conversations with [Redacted] regarding SALLY'S STEAK HOUSE retroactive Health and Welfare contributions.

Full text of interview pages 159-169

WITNESSES (continued)

41.

[Redacted]

Milwaukee, Wisconsin

[Redacted]

Can provide details regarding fund audit procedures and fund financial condition. Also, details of SALLY'S STEAK HOUSE showing as a \$2,505 receivable in April, 1985 audit. From review of accounting work sheets, stated only one contribution from SALLY'S to Health and Welfare Fund in amount of \$189.39 for years of 1984, 1985 and 1986.

Full text of interview pages 170-176

42.

[Redacted]

Milwaukee, Wisconsin

[Redacted]

[Redacted] the Milwaukee Hotel Industry Trust
Funds and attorneys for Local 122

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Can provide some details regarding SALLY'S relationship to Local 122 and general details regarding the responsibilities and relationship of the union, Fund Administrator, Trustees and employers in a collective bargaining scenario. Stated he was not involved in any attempts in 1985 to collect monies from SALLY PAPIA.

Full text of interview pages 177-190

43.

[Redacted]

Milwaukee, Wisconsin

[Redacted]

Stated he could not recall any discussions [Redacted]
[Redacted] regarding SALLY'S STEAK HOUSE being delinquent in
fund contributions. He stated [Redacted] eligibility was not
[Redacted] and should have been.

WITNESSES (Continued)

Full text of interview pages 191-192

44. [REDACTED]

Can provide details of his contacts with SALLY'S STEAK HOUSE at [REDACTED] request regarding PRIME CARE HMO.

Full text of interview pages 193-194

45. [REDACTED]

Can provide some details of SALLY'S STEAK HOUSE past participation in the Trust Funds. Also, can provide details regarding historic administration of the funds, including handling delinquent employers, employee eligibility etc.

Full text of interview pages 195-198

46. [REDACTED]

[REDACTED]
Milwaukee, Wisconsin
[REDACTED]

Can provide details regarding how and when a person becomes a member of Local 122, how dues are paid and how Local 122 records are kept. Also, can provide details of general operation of Local 122.

Full text of interview pages 199-203

47. [REDACTED]

Can provide details on how and when benefits should be paid and general operation of Fund. Did not discuss or know of discussions regarding collection of contributions from SALLY'S STEAK HOUSE or subsequent payment of [REDACTED] medical expenses.

WITNESSES (Continued)

Full text of interview pages 204-208

48.

[REDACTED]
Milwaukee, Wisconsin
[REDACTED]

Can provide details of her contact with [REDACTED] and Local 122 regarding backdating of her Local 122 membership to obtain Milwaukee Hotel Industry Health and Welfare coverage of her medical expenses. Also, can provide details regarding general relationship between SALLY'S and Local 122.

Full text of interview pages 209-215

49.

[REDACTED]
Milwaukee, Wisconsin
[REDACTED]

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Stated she recalled obtaining contributions from SALLY'S STEAK HOUSE for one of the Milwaukee Hotel Industry Trust Funds, so therefore, SALLY'S must have had a contract with Local 122. Can provide general details of fund delinquency procedures.

Full text of interview pages 216-218

50.

[REDACTED]
Milwaukee, Wisconsin

Can provide details regarding how and when a person became a member of Local 122. Local 122 records maintained, participation and members eligibility in the Milwaukee Hotel Industry Health and Welfare and Pension Trust Funds.

Full text of interview pages 219-221

WITNESSES (Continued)

51. [REDACTED]

[REDACTED]
Milwaukee, Wisconsin

[REDACTED]
Can provide details regarding relationship between SALLY'S STEAK HOUSE, Administrator and Local 122. Can provide details regarding Administrator responsibilities and their general operations.

Full text of interview pages 222-228

52. [REDACTED]

[REDACTED]
Milwaukee, Wisconsin

[REDACTED]
Can provide details on the handling and processing of claims. Stated that regarding eligibility, person must be dues paying Local 122 member and normally employer must make contribution. Stated she did not know whether SALLY'S was making contributions because it was not her responsibility.

Full text of interview pages 229-230

III. Agent Investigation

53. [REDACTED] Special Agent
Department of Labor, Office of Labor Racketeering
517 East Wisconsin Avenue
Milwaukee, Wisconsin
(414) 291-1805

Can provide details regarding the following:

A. [REDACTED]

Information on pages 231-232

B. Search of Local 122 Offices.

Information on pages 233-239

WITNESSES (Continued)

54. [redacted] Special Agent
Federal Bureau of Investigation
517 East Wisconsin Avenue
Milwaukee, Wisconsin
(414) 276-4684

Can provide details regarding the following:

- A. Review of [redacted] medical claims folder
maintained by the Administrator's claims
examiner.

Information on pages 240-244

- B. Review of Administrator's records regarding
payment of [redacted] claims.

Information on pages 245-247

- C. Review of minutes for Trustee meetings of
Health and Welfare Fund.

Information on pages 248-251

- D. Review of Local 122 membership rosters for
SALLY'S employees listed as Local 122 members.

Information on pages 252-253

- E. Review of eligibility rules regarding Health
and Welfare Fund.

Information on pages 254-257

55. [redacted] Special Agent
Federal Bureau of Investigation
517 East Wisconsin Avenue
Milwaukee, Wisconsin
(414) 276-4684

Can provide details regarding:

- A. [redacted]

Information on pages 258-261

- B. Review of Local 122 receipts and SALLY'S STEAK
HOUSE checks written to Local 122 for the period
January, 1984-July, 1986.

WITNESSES (Continued) -

Information on pages 262-266

- C. Review of membership applications and Local 122 records regarding membership of 12 SALLY'S employees listed as Local 122 members. Including reporting of membership to the International Union.

Information on pages 267-276

- D. Review of document titled "Union List", listing 19 names of SALLY'S employees with handwritten notation add to SALLY'S check-off.

Information on pages 277-279

- E. Review of Local 122 By-Laws and HEREIU Constitution for rules regarding union membership.

Information on pages 280-281

- F. Review of records regarding SALLY'S STEAK HOUSE contributions to the Pension Fund.

Information on pages 282-284

- G. Review of Local 122 correspondence sent to SALLY'S STEAK HOUSE, including notes on the statement of dues check-off sent to SALLY'S

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Information on pages 285-286

- H. Review of Blue Cross/Blue Shield billing records for SALLY'S STEAK HOUSE regarding health insurance provided by SALLY'S for the employees.

Information on pages 287

- I. Search of Local 122 Offices.

Information on pages 288-294

- J. Surveillance of [redacted] and JENNARO on June 28, 1985.

Information on pages 294-298

- J. Surveillance of JOSEPH BALISTRIERI and [redacted] on August 27, 1985.

WITNESSES (Continued)

Information on pages 299-301

56. [] Special Agent
Federal Bureau of Investigation
517 East Wisconsin Avenue
Milwaukee, Wisconsin
(414) 276-4684

Can provide details regarding the following:

- A. Review of Local 122 mailing list for the names
of SALLY'S 12 employees listed as union members.

Information on pages 302

- B. Observation of [] on
June 5, 1985.

Information on pages 303

57. [] Special Agent
Federal Bureau of Investigation
517 East Wisconsin Avenue
Milwaukee, Wisconsin
(414) 276-4684

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[] Can provide details regarding the surveillance of
[] and JOSEPH BALISTRERI inside the Shorecrest Hotel on
June 28, 1985.

Information on pages 304

58. [] Special Agent
Federal Bureau of Investigation
517 East Wisconsin Avenue
Milwaukee, Wisconsin
(414) 276-4684

[] Can provide details regarding the surveillance of
[] and JOSEPH BALISTRERI inside the Shorecrest Hotel on
August 29, 1985.

Information on pages 305-306

EVIDENCE

I. Title 29, United States Code, Section 186

1. Twenty-eight SALLY'S STEAK HOUSE checks, made payable to Local 122 and signed by SALLY PAPIA, totaling \$3,293.46, for the period January, 1984 through July, 1986. (Obtained from SALLY'S STEAK HOUSE.)

2. Two SALLY'S STEAK HOUSE checks, made payable to Local 122 and signed by JAMES JENNARO, totaling \$544.48, dated March 20, 1985 and November 6, 1985. (Obtained from SALLY'S STEAK HOUSE.)

3. 1982-1985 "Hotel Agreement" with the original signatures of SALLY PAPIA, [redacted] and other Local 122 officials. (Obtained from Local 122.)

4. 1985-1988 Agreement between SALLY'S STEAK HOUSE and Local 122 with the original signatures of [redacted]. Also, the apparently forged signature of [redacted] at SALLY'S STEAK HOUSE. (Obtained from Local 122.)

5. Monthly Local 122 dues check-off statements for SALLY'S STEAK HOUSE, for the period January, 1984 through July, 1986 with Local 122 receipt for monies received attached. These statements list names of SALLY'S employees purported to be Local 122 members. In addition, two statements contain typed messages from Local 122 to SALLY'S STEAK HOUSE. (Obtained from Local 122.)

6. Original SALLY'S STEAK HOUSE payroll ledgers for 1984, 1985 and photocopied pages of the 1986 ledger. Ledgers show no payroll deductions for union dues for employees purported to be Local 122 members. (Obtained from SALLY'S STEAK HOUSE.)

7. Twelve falsified Local 122 membership applications, dated June 3, 1985, for 12 SALLY'S employees. Original top copy obtained from SALLY'S and carbon copies. (Obtained from Local 122.)

8. One typed document titled "Union List" with original handwritten notation, "Add to SALLY'S check-off with we need applications". (Sic) Document lists names of 19 SALLY'S employees and their job classifications. (Obtained from Local 122.)

9. Copies of letter correspondence sent from Local 122 to SALLY PAPIA. (Obtained from Local 122.)

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EVIDENCE (Continued)

10. Local 122 membership records "green and yellow cards" for the 12 SALLY'S employees purported to be Local 122 members under the 1985-1988 Collective Bargaining Agreement. (Obtained from Local 122.)

11. One consensual cassette tape recording made on July 23, 1985 of conversation between SALLY PAPIA and SALLY'S employee, [REDACTED] Conversation involves discussions about SALLY'S relationship with Local 122.

II. Title 18, United States Code, Section 664

1. Copy of the Milwaukee Hotel Industry Health and Welfare Trust Instrument. (Obtained from [REDACTED])

2. Copy of Milwaukee Hotel Industry Health and Welfare Group Benefit Plan booklet regarding eligibility rules. (Obtained from [REDACTED])

3. Copies of sections of HERE International Constitution and Local 122 By-Laws regarding union membership. (Obtained from Local 122.)

4. Copies of Milwaukee Hotel Industry Health and Welfare computerized eligibility reports and employer contribution reports covering the period November, 1984 through January, 1986. Reports reflect no contributions received from SALLY'S STEAK HOUSE and no contributions for SALLY'S employees, including [REDACTED] (Obtained from Local 122.)

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5. Copies of Milwaukee Hotel Industry Remittance Reports for SALLY'S STEAK HOUSE for period January, 1985 through May, 1985; July and August, 1985. The billing is for pension contributions only. (Obtained from SALLY'S STEAK HOUSE.)

6. One Local 122 membership application (original and carbon copy) for [REDACTED] dated January 4, 1985, showing backdated payment of dues for October, 1984, November, 1984 and December, 1984 with initiation in October, 1984. (Original obtained from SALLY'S STEAK HOUSE and copy obtained from Local 122.)

7. Local 122 membership records "green and yellow cards" for [REDACTED] (Obtained from Local 122.)

8. One folder containing medical bills, hospital admittance forms and claims payment worksheets for [REDACTED] (Obtained from the Fund claims examiner at Local 122.)

EVIDENCE (Continued)

9. Eight Milwaukee Hotel Industry Health and Welfare Benefit Account checks, dated November 15, 1985, payable to or on the behalf of [redacted] totaling \$3,159.79. (Obtained from Fund Administrator.)

10. Copies of 1985 and 1986 Fund accounting worksheets pertaining to SALLY'S STEAK HOUSE, prepared and maintained by Accounts RITZ, HOLEMAN, BUTALA and FINE. (Obtained from the accountants.)

11. Copy of the Milwaukee Hotel Industry Health and Welfare Fund Financial Statement for the period ending April 30, 1985, completed June 19, 1985, showing the Fund with a deficit balance and an Accounts Receivable for SALLY'S STEAK HOUSE. (Obtained from [redacted])

12. One SALLY'S STEAK HOUSE check, number 7951, payable to First Benefit Administrators in the amount \$189.36, dated October 14, 1985, with handwritten notations indicating check is for [redacted] (Obtained from SALLY'S STEAK HOUSE.)

13. Copy of the minutes for the Health and Welfare Fund Trustees meeting, October 23, 1985, reflecting discussion of Fund's insolvency with [redacted] in attendance as a trustee. (Obtained from Fund Attorney, [redacted])

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14. Copy of a letter, dated May 21, 1985, to SALLY PAPIA from [redacted] First Benefit Administrators, referencing \$2,904.96 in retroactive Health and Welfare contributions owed by SALLY'S for the period October, 1984 through May, 1985. Copies indicated to [redacted] and Attorney [redacted] (Obtained from both Local 122 and SALLY'S STEAK HOUSE.)

15. Copy of memo, dated May 29, 1985, to [redacted] regarding \$23,026.40 in back contributions owed to the Health and Welfare Fund from SALLY'S STEAK HOUSE for the period June, 1982 through April, 1985. (Obtained copies from both Local 122 and SALLY'S.)

16. Copy of a letter, dated May 31, 1985, to SALLY PAPIA from [redacted] First Benefit Administrators, referencing some \$23,000 in back contributions owed the Health and Welfare Fund by SALLY'S STEAK HOUSE. Copies indicated to [redacted] Handwritten on the bottom of the letter is [redacted] & me to forget about it & not worry". (Obtained from SALLY'S STEAK HOUSE.)

EVIDENCE (Continued)

17. Copies of Blue Cross/Blue Shield billing statements for SALLY'S STEAK HOUSE for the period of September, 1984 through May, 1985, with handwritten note to [] regarding proof of insurance. (Obtained from Local 122.)

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III. Title 18, United States Code, Section 1503 ?

1. Eleven original SALLY'S STEAK HOUSE memo's bearing the date, May 31, 1985, and the signatures of 11 of 12 SALLY'S employees listed as members of Local 122. The statement on the memo gives SALLY'S permission to enroll the employee in Local 122. (Obtained from SALLY'S STEAK HOUSE.)

UNPRODUCTIVE INVESTIGATION

1. Other than certain statements by [redacted] no employees or officers of Local 122 have affirmed any knowledge of a special relationship between SALLY'S and Local 122. Two individuals, PHIL VALLEY and BEN BARWICK, who headed Local 122 for many years [redacted] are deceased.

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2. To date, the investigation has been unable to determine the complete role of [redacted] interactions with [redacted] regarding the payment of [redacted] medical claims.

IDENTIFICATION RECORDS,
PRIOR ARRESTS, SCIENTIFIC
AND TECHNICAL REPORTS

1. FBI Laboratory Document Signature Report regarding SALLY'S STEAK HOUSE employees' signatures on 11 SALLY'S STEAK HOUSE Memo's, dated May 31, 1985, and on 12 Local 122 membership applications, dated June 3, 1985. Also, regarding the signature of [REDACTED] on the 1985-1988 Agreement between Local 122 and SALLY'S STEAK HOUSE.

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2. FBI Technical Services Report regarding enhancement of a recorded conversation which occurred on July 23, 1985.

3. The records of the Milwaukee Police Department reflect that [REDACTED] was convicted of a violation of Wisconsin Statute, theft-party to a crime, in January, 1975.

4. The records of the FBI Identification Division reflect that SALLY PAPIA was convicted of a Federal violation, conspiracy to collect payment of credit through extortionate means, in April, 1975.

REPORT
of theFEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C. 20535

To: SAC, Milwaukee (183A-580)

January 29, 1987

FBI FILE NO.

LAB. NO. 70115052 D UE

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Re:

RICO

OO: Milwaukee

Examination requested by:

Addressee

Reference:

Communication dated January 5, 1987

Examination requested:

Document

Specimens received

January 15, 1987

Specimens:

Eleven Sally's Steak House memos, dated 5/31/85 further described
as follows (your item #7):SPECIMENNAME

Q1

Q2

Q3

Q4

Q5

Enclosures (31)

Page 1

(over)

SPECIMEN

NAME

Q6

Q7

Q8

Q9

Q10

Q11



Twelve Hotel, Motel, Restaurant Employees & Bartenders Union Local 122, AFL-CIO membership applications dated 6/3/85, further described as follows (Your Item #7):

SPECIMEN

NAME

Q12

Q13

Q14

Q15

Q16

Q17

Q18

Q19

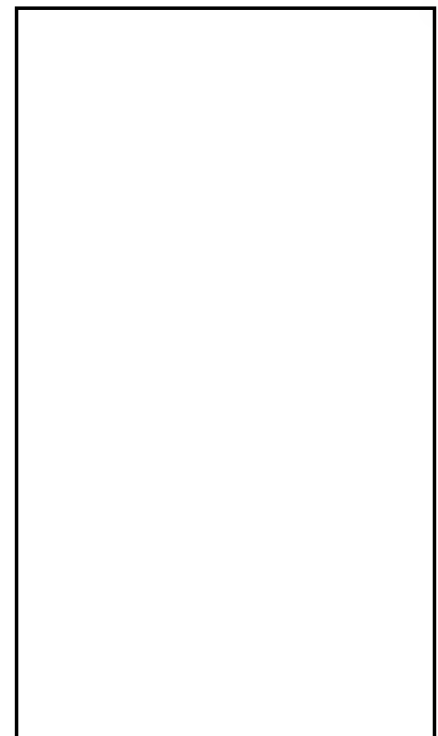
Q20

Q21

Q22

Q23

Q24



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1985 - 1986 AGREEMENT bearing on page eight the signatures [redacted] Sally Steak House," [redacted]
(Your Item #8)

- K1 Eleven exemplars bearing known writing of [redacted]
[redacted] (Your Item #1)
- K2 Eleven exemplars bearing known writing of [redacted]
[redacted] (Your Item #2)
- K3 Twelve exemplars bearing known writing of SALLY PAPIA
(Your Item #3)
- K4 Seventeen exemplars bearing known writing of [redacted]
[redacted] (Your Item #4)
- K5 Fifteen exemplars bearing known writing of [redacted]
[redacted] (Your Item #5)
- K6 Fourteen exemplars bearing known writing of JAMES R.
JENNARO (Your Item #6)

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ALSO SUBMITTED:

Two Hotel, Motel, Restaurant Employees' and Bartenders
Union Local 122, AFL-CIO checks number 1453 and 1465,
each signed [redacted]
(Your Item #29)

Thirteen Hotel, Motel and Restaurant Employees,
Bartender's Union, Local 122, Milwaukee, Wis. Dues
Or Affiliation cards and accompanying thirteen
Employer cards for Sally's Steak House (Your Item #24)

Eight Hotel, Motel and Restaurant Employees, Bartender's
Union, Local 122, Milwaukee, Wis. Dues Or Affiliation
cards and accompanying eight Employer cards for Sally's
Steak House (Your Item #28)

Numerous letters, forms and agreements in folder
"Sally's Steak House" (Your Item #26)

1982 - 1985 HOTEL AGREEMENT (Your Item #23)

Eighteen Statements "Checkoff Of Dues, Initiation Fees,
Assessments, Reinstatement Fees and Fines" in folder
"SALLY'S STEAK HOUSE 272-5363 ..." (Your Item #27)

Typewritten letter dated 8/16/84, NOTICE TO ALL CHECK-OFF
ESTABLISHMENTS (Your Item #25)

Ten Statements "Checkoff Of Dues, Initiation Fees, Assessments, Reinstatement Fees and Fines" in folder "Sally's Steak House 1028 E. Juneau Ave. (2) Attn: Sally Papia" (Your Item #25)

Result of examination:

It was determined that the [redacted] signature on the signature page of specimen Q24 was written by [redacted] whose known writing is designated K1.

The [redacted] signature on specimen Q24 was written by [redacted] writer of specimen K2.

Due to variations possibly caused by distortion in the questioned writing, a definite conclusion was not reached whether the signatures on specimens Q12 through Q23 were or were not written by the writers of specimens K1 through K6. Characteristics were observed, however, which indicate it is doubtful these questioned signatures were written by any of the writers of specimens K2 through K6.

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Again, due to variations possibly caused by distortion in the questioned writing, a definite conclusion was not reached whether the [redacted] Sally Steak House." writing on specimen Q24 was or was not written by the writers of specimens K1 through K6. Characteristics were observed, however, which indicate it is doubtful this questioned writing was written by any of the writers of specimens K1 through K5.

Appropriate photographs have been made. The submitted specimens are returned herewith.

FBI
TECHNICAL SERVICES DIVISION
FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C. 20535

To: **SAC, Milwaukee (183A-580)**

April 24, 1987

From: **Director, FBI**

FBI FILE NO.

LAB. NO. **70303118 E VT**

Re:

RICO

OO: MILWAUKEE

b6
b7C

Examination requested by: **SAC, Milwaukee**

Reference: **Airtel dated February 23, 1987**

Examination requested: **Enhancement**

Remarks: **The enhancement examination was conducted by SA**

Enclosures 2 (2 Technical Services Division Reports)

ADMINISTRATIVE

Do Not Include Administrative I-6

**REPORT
of the
FBI
TECHNICAL SERVICES DIVISION
FEDERAL BUREAU OF INVESTIGATION
WASHINGTON, D. C. 20535**

To: SAC, Milwaukee (183A-580)

April 24, 1987

FBI FILE NO.

LAB. NO. 70303118 E VT

Re:

RICO

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Specimens received March 3, 1987

Q25 One Olympus XB60 microcassette marked in part "RLT"

Result of examination:

Two enhanced monaural copies were made of specimen Q1, with one copy on side A of a Maxell UR90 magnetic tape cassette and the second copy on a 7-inch reel of magnetic tape at a recording speed of 3 3/4 inches per second in a two-track configuration.

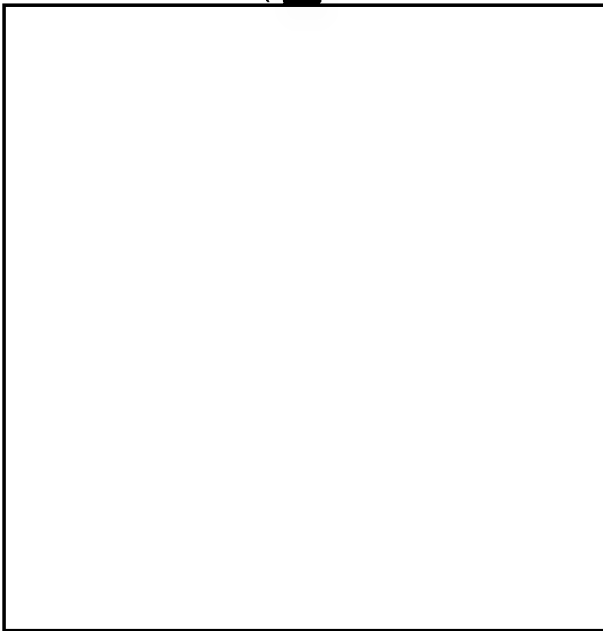
In order to obtain maximum intelligibility, the enhanced copies should be played back on high-quality tape recorders with comparable track configurations and should be reviewed using high-quality headphones.

Specimen Q25 and the enhanced copies were forwarded to the Milwaukee Office via registered mail on March 31, 1987.

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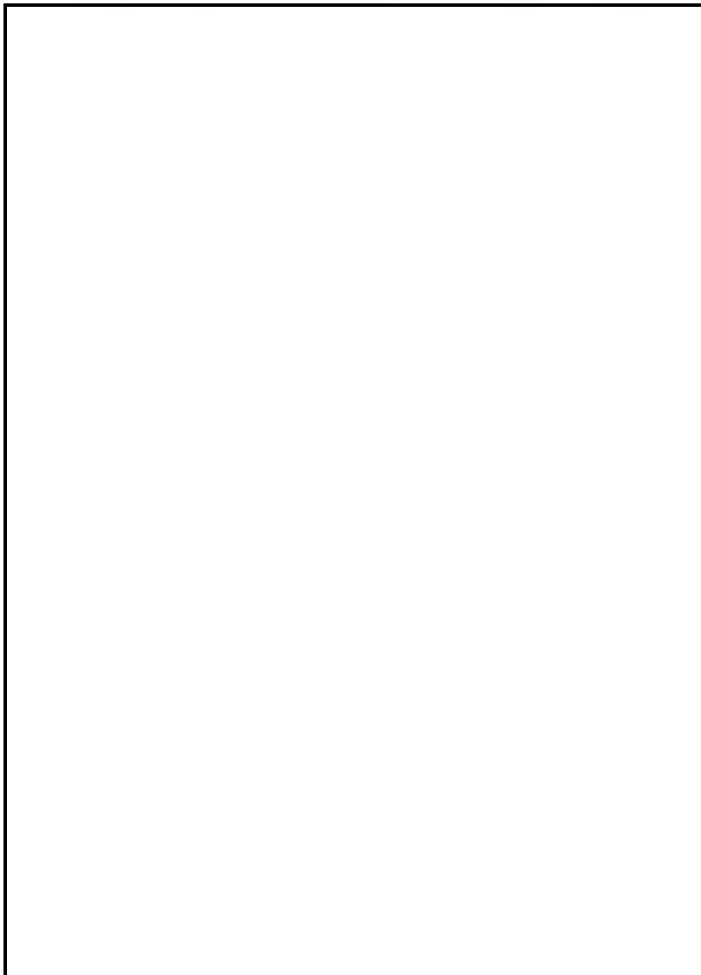
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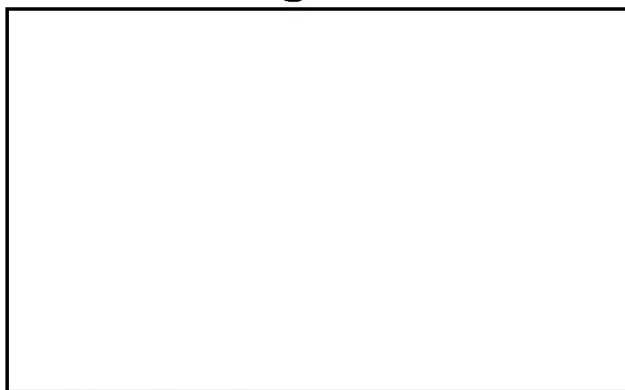
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II. Agent FD-302s

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SPECIAL AGENT [REDACTED]
Federal Bureau of Investigation 240-257

SPECIAL AGENT [REDACTED]
Federal Bureau of Investigation 258-306

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/20/87

[redacted] was interviewed at his residence, [redacted] Milwaukee, Wisconsin, telephone [redacted] by Special Agent (SA) [redacted]. After being advised of the identity of the interviewing agent and the purpose of the interview, [redacted] voluntarily provided the following information:

[redacted] was employed from [redacted] as [redacted] for The Hotel, Motel, Restaurant Employees and Bartenders Union, Local 122 (Local 122). [redacted] had always wanted to be employed by the Union since [redacted] had spent so many years as the head of Local 122. [redacted] was hired [redacted] [redacted] worked with [redacted] President of Local 122 and an International Organizer, assisting him with various organizing projects, both by working in the office and in the field. [redacted] also worked with [redacted] Local 122 and assisted him in handling grievances and generally servicing Union members. [redacted] was suppose to learn both organizing and the service aspects of Local 122. He wrote letters, handed out leaflets and contacted employees concerning their interest in joining Local 122. [redacted] left Local 122 because of his cocaine problem and the subsequent inquiries being made during the Federal Bureau of Investigation's (FBI) investigation. In February and March of 1987, [redacted] was given the opportunity to work and train as a Special Organizer with The Hotel Employees, Restaurant Employees International Union in Washington D.C. [redacted] was not paid for this work and had to pay for his own living expenses while in Washington, D.C. He returned to Milwaukee in April, 1987, and is presently unemployed. [redacted] stated that he no longer used cocaine.

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[redacted] has never talked about Local 122 with any of Sally's Steakhouse employees. He also was never asked by anyone at Local 122 to talk with any Sally's employees about the Union. [redacted] was never present at any meetings between Local 122 and any persons representing management at Sally's Steakhouse. [redacted] has had lunch there four or five times with friends and was familiar with the restaurant, but has never been there on Union business. [redacted] stated that based on conversations around the office, he knew that Sally's Steakhouse was unionized and believed that it had always been unionized. [redacted] knew that [redacted] and [redacted] had had meetings with the management of Sally's

Investigation on 9/17/87 at Milwaukee, Wisconsin File # MI 183A-580by SA [redacted] /jff Date dictated 9/25/87

MI 183A-580

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Continuation of interview of _____

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Steakhouse, but did not know the purpose of these meetings. _____ did not recall ever delivering or picking up anything at Sally's Steakhouse. _____ was never present during any contract discussions regarding Sally's Steakhouse, although he did participate in these discussions at some other places. He could not recall ever seeing the Sally's Steakhouse's contract and indicated this was not unusual since he was only familiar with certain employers where he had been working. _____ was shown copies of the 12 Local 122 membership applications for employees of Sally's Steakhouse, however, _____ stated he had never seen these before. _____ was shown a copy of a Sally's Steakhouse check made payable to First Benefit Administrators for the amount of \$189.36. _____ again indicated that he had not seen this check before. _____ was not familiar with the name _____ had generally heard about problems with Sally's Steakhouse from conversations at Local 122, but indicated that because he was new he was not always kept informed about everything that was taking place. _____ did not recall ever seeing or hearing of a grievance from a Sally's Steakhouse employee.

_____ stated that he frequented Snug's Restaurant primarily because other officials of Local 122 visited there regularly. _____ believed that _____ was friends with JOSEPH _____ BALISTRERI. While _____ was employed at Local 122, he had no knowledge of any organizing effort regarding Snug's Restaurant or the Shorecrest Hotel. _____ stated that _____ conversations with JOSEPH _____ BALISTRERI were always casual and _____ did not consult with JOSEPH _____ BALISTRERI regarding Union matters. _____ indicated that he thought that _____ and _____ had once lived at the Shorecrest Hotel.

_____ was a _____ for the trust funds who worked in the office at Local 122. _____ described _____ as part of the family at Local 122. _____ did not normally handle Union business, however, she would help out when it was important to get some work finished. _____ also regularly answered the phone for Local 122.

_____ was required to complete organizer reports, which were then sent to the International Union. _____ stated that the reports were generally accurate. _____ received \$50 a week for expenses, such as gas and other miscellaneous expenses connected with performing his duties. _____ indicated that he frequently spent money out of his own pocket for work items and was not reimbursed. _____ did not receive any other expense monies from Local 122 or the International Union. _____ believed that _____ received a monthly per diem from the International Union. _____ thought that this money was comprised of a fixed amount of money per day which was paid to _____

Continuation of interview of [redacted]

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[redacted] was never offered money or anything of value by any employer and never asked or accepted any money or anything of value from any employer. He had no knowledge that any other person at Local 122 had accepted any money or anything of value and expressed considerable doubt that any of these persons would take anything.

[redacted] has also never received any complimentary rooms or meals from any employer in connection with his position at Local 122.

[redacted] had no knowledge of anyone else at Local 122 accepting complimentary meals or rooms.

[redacted] was shown copies of Park East Hotel documents which indicate charges by him or on his behalf for rooms and meals to a city ledger account for Local 122. These bills indicate that they were not paid. [redacted] frequently stayed at the Park East Hotel with his friends and he stated that he generally paid his bill immediately. [redacted] indicated that he occasionally would ask [redacted] to get him a room at the Park East Hotel. [redacted] was well-known at the Hotel and this explained why some of the billings have [redacted] name on them. [redacted] also indicated that both [redacted] and his mother were keeping a close watch on his finances during 1985 and 1986 when he was staying frequently at the Park East Hotel. [redacted] admitted using cocaine at the Hotel with his friends. [redacted] wanted to keep secretive the use of the Hotel and the cocaine from both [redacted] and his mother. [redacted] stated that the unpaid Park East Hotel charges resulted from [redacted] not paying for these bills as he had agreed to do. [redacted] explained that [redacted] had owed him some money and was suppose to take care of those charges. [redacted] mother subsequently has paid all of the outstanding bills. [redacted] indicated he has never seen the Park East Hotel bill for [redacted] [redacted] however, he stated he knows that [redacted] is most likely the brother of [redacted] [redacted] did not know how his business card got attached to the Park East Hotel bill for [redacted]. [redacted] has never met [redacted]

[redacted] while admitting his own cocaine use problem, was reluctant to identify other persons involved in his use of cocaine. [redacted] stated that he never sold the cocaine and indicated that he is presently not using cocaine. [redacted] admitted using cocaine with [redacted] Local 122 [redacted] a childhood friend; along with [redacted] and [redacted] also knew [redacted] [redacted] had met the younger [redacted] at a Union seminar in Chicago a couple of years ago. [redacted] is the son of [redacted] who heads Hotel Employees Restaurant Employees Local 1 (Local 1) in Chicago and [redacted] also works for Local 1. [redacted] confirmed that [redacted] regularly came to Milwaukee during 1985 and 1986 and reluctantly admitted that [redacted] used cocaine. [redacted] had met [redacted] Manager of the Marc Plaza Hotel and [redacted] of the Hyatt Regency Hotel, but stated that he had never used cocaine with these individuals.

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Continuation of interview of [REDACTED]

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[REDACTED] knew a [REDACTED] who was [REDACTED] of the Bogie's Nightclub in Madison. [REDACTED] when questioned about whether he ever received cocaine from [REDACTED] was very evasive. [REDACTED] did not want to answer further questions regarding the specific suppliers of his cocaine. [REDACTED] stated that he obtained his cocaine from a black male at the University of Wisconsin-Milwaukee, whose full name he could not recall.

[REDACTED] discussed Local 122 organizing efforts in general and specifically regarding certain businesses. [REDACTED] explained that most employees desiring Union representation come to Local 122 requesting their assistance. Generally in attempting to organize the employees, the Union attempts to avoid management, however, on rare occasions, the management offers the Union the opportunity to represent their employees. [REDACTED] stated that the organization of the Nantucket Shores Restaurant, located in the Aster Hotel, was one such occasion when the employer had invited the Union to represent its employees. Local 122 had previously represented the Hotel employees and were given the opportunity to organize the restaurant employees. There was an election conducted at the restaurant, with the employees voting overwhelmingly to be represented by Local 122. [REDACTED] explained that any organizing effort of any type had to be approved by [REDACTED]

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[REDACTED] were involved in significant efforts by Local 122 to organize the Midway Motor Lodge on Port Washington Road. As [REDACTED] recalled, some employees of the establishment had indicated their interest in being represented by Local 122. Despite the efforts of Local 122, the question of representation never went to an election. There was strong management influence against Local 122 representing the Midway employees.

Local 122 also attempted to organize the employees of Alioto's Restaurant located on Hwy. 100. [REDACTED] recalled that this was a particularly bitter organizing situation because the manager, who was the son or son-in-law of the [REDACTED] was a son-of-a-bitch (sob). [REDACTED] stated that there were angry exchanges at the restaurant between management and Local 122 personnel. [REDACTED] believed that [REDACTED] and [REDACTED] might have met with the [REDACTED] management. While [REDACTED] was not certain how the organizing effort had started, he recalled that a waitress, who was fired by the [REDACTED] had tried to assist the organizing effort.

[REDACTED] initiated contact with [REDACTED] of Kuglitsch's Bowling Lanes (16000 West Cleveland Avenue and 4401 West Greenfield Avenue, Milwaukee, Wisconsin) regarding unionization of his employees. [REDACTED] got the idea to contact

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Continuation of interview of [REDACTED]

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[REDACTED] because several unions participated in bowling leagues at Kuglitsch's Bowling Lanes. [REDACTED] said he tried to explain the benefits of having his employees unionized to [REDACTED]. The principal benefit was the fact that [REDACTED] would be recognized as a unionized employer. [REDACTED] also talked with a few employees at [REDACTED] and [REDACTED] believed that [REDACTED] was going to consent to Local 122 organizing his employees. However, later when [REDACTED] met with [REDACTED] and [REDACTED] he decided against having his employees join Local 122. [REDACTED] believed that even if management wanted the employees to be represented by the Union, the employees would still have to give their approval.

[REDACTED] also participated in an organizing effort at the Tyrolean Restaurant and Motel (1657 South 108th Street, West Allis, Wisconsin). [REDACTED] talked to numerous employees at this establishment and did mailings to these employees. However, when the issue of Union representation came to a vote, Local 122 was defeated. [REDACTED] could only recall two occasions when the question of Local 122 representation went to an election to determine the outcome. These two occasions were with the Nantucket Shores Restaurant and the Tyrolean Restaurant.

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/7/86

[redacted] who resides at [redacted] Milwaukee, Wisconsin was interviewed at his residence by Special Agent (SA) [redacted] and SA [redacted]. After being advised of the identity of the interviewing agents and the purpose of the interview, [redacted] voluntarily furnished the following information:

[redacted] started working for the Hotel, Motel, Restaurant Employees and Bartenders Union Local 122 in [redacted] as a [redacted] an employee of the local. [redacted] was hired by [redacted] of Local 122. [redacted] first became acquainted with [redacted] when he [redacted] and [redacted] maintained this acquaintance while [redacted] at SNUGS RESTAURANT and when [redacted] began working at Local 122. [redacted] would frequently see [redacted] socially at SNUGS and at other places they both frequented. [redacted] knew many of the same people. [redacted] asked [redacted] to consider him for a position at Local 122 and [redacted] hired him in [redacted].

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Prior to becoming [redacted] at Local 122, [redacted] and he was a member of a union in connection with his employment. However, prior to the business agent position with Local 122, [redacted] had never been an employee or official of any union.

The position of [redacted] with Local 122 required him to handle problems and grievances between Local 122 and various employers. It was not [redacted] responsibility to organize employees or unionize businesses, however, he would assist when a "show of solidarity" was necessary. [redacted]

[redacted] assigned to Local 122, was primarily responsible for organizing. [redacted] had also been hired to assist [redacted]. [redacted] was familiar with organizing efforts which were made at the MIDWAY HOTEL on Port Road, SHERATON HOTEL on Mayfair Road and the ANCHORAGE RESTAURANT. None of these efforts were successful.

Typically some employees of a business would come to Local 122 and want the local's assistance. The local's goal would be to organize these employees into a committee and get enough showing

Investigation on 9/30/86 at Milwaukee, Wisconsin File # MI 183A-580-591
by SA [redacted] (RLT/bjr) Date dictated 10/2/86

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Continuation of interview of [REDACTED]

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of interest cards signed to hold an election. Generally the employer would give the employees a ten or fifteen cent per hour wage increase and the union would lose the election.

[REDACTED] did not sign up union members and he was not aware of the office paperwork associated with running Local 122.

[REDACTED] SALLY'S STEAK HOUSE was a unionized restaurant as far as [REDACTED] was aware. [REDACTED] had no information indicating SALLY'S relationship with Local 122 was different than other employers. [REDACTED] had never talked with any union members or other employees of SALLY'S STEAK HOUSE. [REDACTED] never received any grievances from union members at SALLY'S. [REDACTED] could not recall ever meeting with SALLY PAPIA to negotiate or bargain concerning her contract with Local 122. [REDACTED] during the summer of 1985, delivered to either SALLY PAPIA, [REDACTED] or another unidentified white male employed by SALLY; a copy of a standard Milwaukee HOTEL ASSOCIATION Contract or some blank Local 122 membership cards. [REDACTED] could not recall which he delivered. The only contract between Local 122 and SALLY'S STEAK HOUSE which [REDACTED] was aware of was the standard HOTEL ASSOCIATION Contract. The 1985 - 1988 agreement between SALLY'S and Local 122 with attached cover sheet was described to [REDACTED] responded that he was unaware of any such contract.

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[REDACTED] has gone to SALLY'S STEAK HOUSE on several occasions for lunch with [REDACTED] stated that he has talked casually with SALLY and he explained that [REDACTED] may have met separately with SALLY. [REDACTED] often left him alone while they were at lunch and he [REDACTED] would have a private conversation.

[REDACTED] was never asked by [REDACTED] or anyone else to assist in organizing or signing up new union members at SALLY'S STEAK HOUSE. [REDACTED] never made any comments to him about bargaining, negotiating or problems at SALLY'S during the summer of 1985.

[REDACTED] stated that the SHORECREST HOTEL was not unionized while he worked at Local 122 and he did not believe it had ever been unionized. SNUGS RESTAURANT had never been unionized but neither were many other restaurants.

[REDACTED] was close friends with the BALISTRIERI family. Allegedly, [REDACTED] grew up with JOE [REDACTED] BALISTRIERI. NICKY'S RESTAURANT was also not unionized.

[REDACTED] received a lot of grievances from the MINI-PRICE MOTEL. [REDACTED] who owns the MINI-PRICE was very clever. [REDACTED] described a typical incident concerning the MINI-PRICE he had heard about since he left Local 122. [REDACTED] was paying a probationary

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Continuation of interview of [REDACTED]

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employee minimum wage instead of what her contract with Local 122 required. [REDACTED] stated that when [REDACTED] activity like this was uncovered she would repay the money owed. The [REDACTED] bargained directly with Local 122 and they were not represented by the HOTEL ASSOCIATION. [REDACTED] said that generally the [REDACTED] went along with the HOTEL ASSOCIATION Contract however, her wage scale might be lower than the HOTEL ASSOCIATION standard because of lower revenue. [REDACTED] explained that almost all employers went along with the HOTEL ASSOCIATION standard contract although some had amendments or riders.

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[REDACTED] left Local 122 because he had a falling out with [REDACTED] explained they had a personality conflict because they were both egotistical. Also, [REDACTED] did not see very much advancement opportunity at Local 122. [REDACTED] denied his leaving Local 122 was in any way connected to a loss of money at Local 122. [REDACTED] later in the interview stated that a rumor was circulating that he had assisted [REDACTED] of the MARC PLAZA HOTEL, in embezzling \$35,000 from the hotel. [REDACTED] denied this rumor and stated that he was trying to find out who had made this statement.

[REDACTED] admitted bouncing a \$50 check at the MARC PLAZA, but later he made the check good. [REDACTED] has an \$80 bar bill at the PFISTER HOTEL he has not paid because he does not have any money. [REDACTED] denied ever receiving any monies or gifts from any employer representative other than perhaps occasionally borrowing \$10 which he would repay. [REDACTED] denied obtaining any loans from persons connected to any employers. [REDACTED] did not have any knowledge of anyone else at Local 122 receiving any monies from employers.

[REDACTED] indicated that the MARC'S BIG BOY RESTAURANTS and BUDGETEL'S were non-union. It was [REDACTED] understanding that this was because the local would need to unionize the entire chain of businesses. [REDACTED] stated that he had heard that the MARCUS CORPORATION had made it known to Local 122 that they wanted the organizing pressure off the SHERATON HOTEL, Mayfair Road. [REDACTED] said that nothing came of it because the union lost the election there anyway.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 3/5/87

[redacted]
[redacted] Wisconsin, telephone [redacted] was interviewed at her residence. After being advised of the identity of the interviewing agent and the nature of the interview, she voluntarily furnished the following information:

[redacted] advised that she was employed [redacted] at the Red Carpet Hotel, 4747 South Howell Avenue, Milwaukee, from [redacted]. During that period of time she worked full-time. Since the Red Carpet is a unionized hotel, she was a member of Local 122, the Milwaukee Hotel Industry Union. She also participated in the union's health insurance and advised that she never had any complaints about this. [redacted]

[redacted] for Local 122, and [redacted] noted that he has been only minimally successful in resolving union grievances. [redacted] quit [redacted] after she had filed a grievance against Red Carpet management. She stated that she was not allowed to leave her work station for a dinner break, and the union did not help her during the grievance hearing. As she was not provided with an adequate break period, she quit. [redacted] noted that her and [redacted] were civil to each other, but that she did not feel he represented the union well. [redacted] is currently employed at B.C. ZIEGLER COMPANY in Milwaukee, a bonded investment company.

[redacted] provided the following background information and personality assessment of [redacted]

[redacted] were divorced eleven years ago. [redacted] indicated that this was a mutual divorce and [redacted] received a cash settlement as [redacted] did not want to go through court proceedings. [redacted] has known [redacted] since he was 16 years old. They had been married for 12 years and originally [redacted] was employed as a bricklayer. [redacted] advised that they got along

Investigation on 2/21/87 at [redacted], Wisconsin

MI 156A-34
MI 183A-580

by SA [redacted] lmd

Date dictated 2/27/87

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Continuation of interview of [REDACTED]

, Page 2

well until [REDACTED] decided to go into the restaurant business. He had become tired of the hard labor and undependable circumstances associated with the masonry trade. They both discussed [REDACTED] anticipated venture into business and agreed it would be beneficial. [REDACTED] estimated this occurred about 13 years ago. [REDACTED] became business partners with [REDACTED] another bricklayer of Sicilian descent, who was originally from New York. The second partner was [REDACTED]. They opened a restaurant on South Howell Avenue, called TERMINI'S PIZZA. [REDACTED] recalled that [REDACTED] began to show a personality change after he got involved in the restaurant business, becoming cold, secretive, and paranoid. Later when the restaurant burned down, [REDACTED] [REDACTED] had a falling out. [REDACTED] opened restaurants on their own and [REDACTED] obtained employment as [REDACTED] at NICOLO'S restaurant in Milwaukee. At NICOLO'S, [REDACTED] met JOE BALISTRERI, who frequented the restaurant. [REDACTED] developed a fast friendship with JOE and they became inseparable. In fact, [REDACTED] had never seen such a close bond between two people. [REDACTED] did not know BALISTRERI as a personal friend or family associate before this time and their friendship only developed as a consequence of [REDACTED] involvement in the restaurant business. [REDACTED] began coming home late and receiving phone calls from other women. He was always talking about his friendship with JOE BALISTRERI and also had met [REDACTED] and FRANK BALISTRERI. [REDACTED] described [REDACTED] as thinking along the same lines [REDACTED] FRANK BALISTRERI, but JOE was more independent, and was not as close to his father.

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[REDACTED] remarked that [REDACTED] was dictatorial, moody, changeable in character and became less likely to confide in her. However, she remembered [REDACTED] once commenting to her that he was ashamed of certain things he had done in the past, but that he could not go back on that now. [REDACTED] was unsure what [REDACTED] meant by this remark, but again reiterated that [REDACTED] was becoming increasingly obscure and secretive and at one point even accused [REDACTED] of being a Federal Bureau of Investigation (FBI) agent.

[REDACTED] stated that one time she discovered a loaded revolver in [REDACTED] dresser drawer and confronted [REDACTED] with this. He told her it was for protection and to drop the subject, but [REDACTED] was concerned because of their two children,

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Continuation of interview of [REDACTED]

, Page 3

[REDACTED] who were still young and might happen onto the loaded gun.

[REDACTED] was not getting along with [REDACTED] of NICOLO'S, and decided to quit. Through his friendship with JOE BALISTRERI, he obtained employment as [REDACTED] at SNUG'S restaurant in Milwaukee. [REDACTED] recalled that she would occasionally bring the children into SNUG'S restaurant for lunch and that JOE BALISTRERI was always a gentleman to [REDACTED] and her children. [REDACTED] advised that [REDACTED] had remarked to her that something was going to happen to JOE, but he did not elaborate.

[REDACTED] occasionally took [REDACTED] out for dinner to some of his favorite East Side restaurants to include GIOVANNI'S, GAETANO'S, and SALLY'S STEAK HOUSE. [REDACTED] was friendly with the owners of these establishments. However, she was confused about [REDACTED] friendship with SALLY PAPIA, owner of SALLY'S STEAK HOUSE as she had heard rumors that they could not stand each other.

[REDACTED] may have had some connections in the Chicago area, however, he never confided in [REDACTED] in this regard. [REDACTED] noted that one time about eight years ago, [REDACTED] flew his daughter, [REDACTED] to a nice Chicago restaurant for her birthday. According to [REDACTED] knew the owner of this restaurant. [REDACTED] had talked about FRANK BALISTRERI in general terms and she knew that [REDACTED] occasionally traveled to Kansas City for a few days at a time. These trips involved FRANK BALISTRERI, but she could not provide further details regarding these trips.

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[REDACTED] felt that [REDACTED] obtained his position in the Milwaukee Hotel Industry-Local 122 union through JOE BALISTRERI. She also indicated that considering [REDACTED] close friendship with [REDACTED] they must still be in touch. [REDACTED] advised that her relationship with [REDACTED] continues to be civil for the sake of their two children. She also noted that after the birth of their son, [REDACTED] decided he did not want any more children and elected to have a vasectomy.

[REDACTED] discussed her daughter's wedding and recalled that [REDACTED] invited several "mafia" friends. She was embarrassed that [REDACTED] wedding reception had a "mafia" table and advised that her [REDACTED] mother had commented and was noticeably upset about this group. [REDACTED] recognized JOE [REDACTED] BALISTRERI at the wedding, but noted there were several more individuals in the group. [REDACTED] was married at SELICO'S which is now under

MI 156A-34
MI 183A-580

Continuation of interview of _____, Page 4*

the new name PARTNER'S PUB II, 6869 West Forest Home Avenue, Milwaukee. _____ expressed mild surprise that this establishment was originally non-union, but became unionized when _____ arranged her wedding reception. _____ noted that _____ is currently expecting a baby.

_____ related that _____ was employed at the MINI-PRICE INN, 6541 South 13th Street, Milwaukee. _____ helped _____ get this job as he was friendly with _____ of the MINI-PRICE. _____ worked at the motel about one year. She quit the MINI-PRICE a year ago and is currently working at the FIRST WISCONSIN BANK building in Milwaukee. _____ advised that one of the reasons _____ quit was because her father did not represent her well enough during a grievance meeting. Apparently, some of the male employees at the MINI-PRICE were making overtures to her and she consequently filed a complaint which was never adequately resolved. However, the union, through _____ did help _____ get some back pay. _____ has recently quit his job in the bar area of the MARC PLAZA HOTEL, Milwaukee. _____ had some management problems regarding his work hours which the union never helped him resolve. _____ advised that _____ got _____ his job at the MARC PLAZA. However, _____ dislikes _____ and considers him a poor union representative.

_____ son is also employed at the MARC PLAZA in the maintenance department. Even though _____ helped him get this job, _____ has not attempted to resolve a grievance that his son filed. However, _____ is helping another elderly maintenance worker on this same type of grievance.

_____ is also employed at the MARC PLAZA in an unknown position. _____ helped him obtain this job. _____ was previously employed at DIETZ's restaurant in Milwaukee.

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/27/86

During the execution of a search warrant at the office of Local 122 of the Hotel, Motel, Restaurant Employees and Bartenders Union, Room 602, Majestic Building, 231 West Wisconsin Avenue, Milwaukee, Wisconsin, Special Agent (SA) [redacted] was examining a wall cabinet in the main hallway within the Local 122 office space. The cabinet was the middle of three cabinets and contained a stack of folders of amendments to contracts for the following establishments:

Alonzo Cudworth Post, Maders 1982-1985, Eagles Club, Mini Price, Catering Unlimited, Automatique-Milwaukee County Welfare, Servo P. O. Cafeteria, May 9, 1983 - May 9, 1986, Boulevard Inn, 1982-1985, Wage Scales, Victory Hall, ARA Quick Pick, August 1983-September 1986, ARA Commissary, October 5, 1983 - October 4, 1986, Milwaukee Turners and Serb Hall. The cabinet also contained separate stacks of contract amendments for a variety of restaurants. It was noted that no amendment forms or copies of contracts were located within the cabinet for Sally's Steak House.

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SA [redacted] followed by [redacted] [redacted] observed the examination of the cabinet. [redacted] was consulted concerning the contents of the cabinet and advised that the folders contained addenda, amendments or riders to the master hotel restaurant agreement for various employers. He explained that these contract amendments might permit a higher or lower wage than the master agreement would be required to be paid to an employee. [redacted] was asked if Local 122's agreement with Sally's Restaurant had any amendments or riders and [redacted] replied in the negative and that the contract papers regarding Sally's Steak House were located in a different part of the Local 122 office.

Investigation on 8/20/86 at Milwaukee, Wisconsin File # MI 183A-580-482
by SA [redacted] (JLD/mrp) Date dictated 8/22/86
SA [redacted]

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FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 8/28/86

[redacted] While Special Agents (SA) [redacted] and [redacted] were conducting a search of [redacted] office pursuant to a search warrant issued for Local 122 offices on August 20, 1986, by United States Magistrate ROBERT L. BITTNER, [redacted] the following statements:

"SALLY'S has been unionized as long as I've been here. Any election at SALLY'S would have been held long ago when PHIL VALLEY had this job. We wouldn't have any election records.

Subsequently in response to a question from [redacted] about where grievances for SALLY'S would be [redacted] responded as follows:

"We don't have any grievances on SALLY'S if they aren't in the folder."

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Investigation on 8/21/86 at Milwaukee, Wisconsin File # MI 183A-580 - 499

by SA [redacted] Date dictated 8/22/86
SA [redacted] (RLT:cc)

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FEDERAL BUREAU OF INVESTIGATION

8/27/86

Date of transcription

During a search of HOTEL EMPLOYEES AND RESTAURANT EMPLOYEES (HERE) LOCAL 122 Offices on August 20, 1986, pursuant to a search warrant, Special Agent (SA) [redacted] was a party in the following conversations which also involved [redacted]

[redacted] The conversation took place in the center of the secretarial area at approximately 1:50 P.M.

[redacted] asked SA [redacted] where the folder, containing the missing SALLY'S dues checkoff statements, had been found.

SA [redacted] stated that it had been found in a file cabinet and indicated some file cabinets along the east wall of the area.

[redacted] stated that she could not find this folder and she thought that [redacted] had it because she had seen it on his desk. [redacted]

[redacted] then approached SA [redacted] and asked where the folder had been found. SA [redacted] again indicated the file cabinets on the east wall.

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Investigation on 8/20/86 at Milwaukee, Wisconsin File # MI 183A-580 -485
by SA [redacted] ls Date dictated 8/21/86

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/15/87

[redacted] of Hotel, Motel, Restaurant Employees and Bartenders Local 122 (Local 122), was interviewed at his residence, [redacted] Wisconsin. [redacted] was aware of the identity of the interviewing agent. After being advised of the purpose of the interview, [redacted] voluntarily provided the following information:

[redacted] came to Milwaukee in May, 1982, from Toledo, Ohio, where he was based as [redacted] for the Hotel Employees and Restaurant Employees International Union (HEREIU). [redacted] was sent to Milwaukee by HEREIU to replace [redacted] who had been assigned to Milwaukee for many years as an International Organizer. [redacted] retired from HEREIU. [redacted] family remained in Toledo for the first three years [redacted] was in Milwaukee. [redacted]

[redacted] stated that because the first two places were union houses, he was constantly being bothered by members so he moved to [redacted] [redacted] knows [redacted] JOE and FRANK BALISTRERI.

[redacted] continues to [redacted] with the HEREIU, which pays his salary. These responsibilities cover a five state geographic area. [redacted] was appointed to fill the remaining term of Local 122's presidency upon the death of [redacted] [redacted] in last year's election, was elected to the position of [redacted] of Local 122 along with the other officers. However, [redacted] stated there was not an actual election since the candidates were unopposed. [redacted] of Local 122, runs the local. [redacted] stated that [redacted] was like a brother to him. Local 122 could not afford to pay [redacted] salary out of the Local 122 budget. [redacted] was also [redacted] of the Milwaukee Hotel Industry Trust Funds.

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[redacted] on two occasions went to meetings with [redacted] at SALLY'S STEAK HOUSE. As far as [redacted] knew, [redacted] always had someone go with him to SALLY'S as a witness and it was either him [redacted] or [redacted] recalled that it was his understanding prior to attending the first meeting that SALLY had dropped out of the association (Greater Milwaukee Hotel Association) at about the time the 82-85 association contract expired (June 15, 1985) and that Local 122 needed to negotiate a new contract. [redacted] was questioned regarding his knowledge of Local 122 members at SALLY'S and the bargaining unit under the 82-85 contract. [redacted] only knew that SALLY'S STEAK HOUSE was unionized, generally as a result of attendance

Investigation on 6/3/87 at Milwaukee, Wisconsin File # MI 183A-580

by SA [redacted] dg Date dictated 6/10/87

MI 183A-580

Continuation of interview of [REDACTED]

, Page 2

at trustee meetings where he recalled there were discussions of a payroll audit and some monies owed.

At the first meeting [REDACTED] attended. SALLY PAPIA and JIMMY JENNARO were involved in the discussions with [REDACTED] could not recall the date of the meeting. [REDACTED] recalled that they talked about SALLY'S waitresses having voted not to belong to Local 122 in an election held by SALLY. [REDACTED] told [REDACTED] that the union should get copies of these ballots. [REDACTED] believed that [REDACTED] did get these ballots from PAPIA and thought the Federal Bureau of Investigation (FBI) had obtained them during the search of the Local 122 offices. [REDACTED] did not recall any discussion about Health and Welfare contributions or anything additional about the meeting.

The second meeting was not held because PAPIA could not attend for some reason. However, [REDACTED] did go to the restaurant. [REDACTED] had heard that PHIL VALLEY and SALLY PAPIA had a long term relationship but [REDACTED] does not know what type of relationship. [REDACTED] knew that SALLY told [REDACTED] that she was going to have it this way and [REDACTED] told her that he [REDACTED] was running things and he [REDACTED] was responsible for things now and things were going to be different now.

[REDACTED] has never talked with any Local 122 members at SALLY'S or any other SALLY'S employees regarding union business. [REDACTED] was never asked by [REDACTED] to talk with these people and advised that to do so would not be within the parameters of [REDACTED] job. SALLY'S STEAK HOUSE was already unionized and therefore would not be organizing work.

[REDACTED] stated that SALLY was a "tough nut" and it was common knowledge that she openly berated and was generally hard on her employees. [REDACTED] did not know how many employees at SALLY'S were unionized or how many employees were employed at the restaurant. [REDACTED] had eaten at SALLY'S STEAK HOUSE one time. [REDACTED] was questioned about how one or two union cooks out of ten cooks could comprise a bargaining unit. [REDACTED] stated that you could not have a bargaining unit under these circumstances. [REDACTED] explained that you could "carve out" particular employer job classifications but that the National Labor Relations Board has been reacting negatively to this "carving out" of a bargaining unit".

The employer was responsible for telling the union which employees should be in the union. [REDACTED] stated that in the case of "carving out a bargaining unit" and SALLY'S that "part of the pie is better than no pie". [REDACTED] explained that it would be silly to butt your head against a brick wall if employees do not want to be in the union. Those waitresses at SALLY'S STEAK HOUSE make a lot of money working for SALLY. [REDACTED] felt that SALLY'S STEAK HOUSE was insignificant compared to other large

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MI 183A-580

Continuation of interview of [REDACTED]

, Page 3

Local 122 unionized establishments, although he indicated SALLY'S STEAK HOUSE was a very well known restaurant in Milwaukee and around the country.

[REDACTED] was asked how any union could represent a bargaining unit and negotiate a contract without talking with any of its members in the unit. [REDACTED] responded that for example at Milwaukee County Stadium they cannot contact all their members. [REDACTED] stated that this was the responsibility of [REDACTED] who ran the local. [REDACTED] stated that its situations with employees like the one with SALLY'S STEAK HOUSE which have caused him not to want to head a local.

Regarding Health and Welfare matters at SALLY'S STEAK HOUSE, [REDACTED] recalled that a waitress at SALLY'S had a problem with health claims but he does not recall how it was resolved. [REDACTED] stated he did not know whether SALLY made back contributions or covered it under Blue Cross/Blue Shield. [REDACTED] had not heard anything more about this waitress, which he could not name except that he indicated the name [REDACTED] sounded familiar.

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[REDACTED] thought that under the current contract SALLY provides alternate insurance through Blue Cross/Blue Shield and a bonus in lieu of pension payments. [REDACTED] did not know how one would go about making a comparison between these benefits for members. [REDACTED] understood that Local 122 had the bartenders and kitchen help at SALLY'S. [REDACTED] stated he did not understand how anyone could not know they were a union member since they had to sign a membership card and they would be paying dues. [REDACTED] had not heard of any legal action being instituted against SALLY by Local 122 or any National Labor Relations Board complaints.

[REDACTED] indicated it was the trust fund administrator's job to carry out the mechanics of obtaining the employer contributions and [REDACTED] job to enforce the contract.

[REDACTED] was never present when [REDACTED] talked with JOE [REDACTED] BALISTRIERI about SALLY'S STEAK HOUSE and [REDACTED] never indicated that he [REDACTED] had ever talked to JOE [REDACTED] BALISTRIERI about a problem with SALLY'S. As far as [REDACTED] knew, [REDACTED] never met with JENNARO without PAPIA present. [REDACTED] stated that he [REDACTED] might have gone to SNUG'S RESTAURANT after a meeting at SALLY'S RESTAURANT.

[REDACTED] was [REDACTED] of the Racine, Wisconsin, HERE Local by the HEREIU because of complaints that [REDACTED] of the local, failed to represent the membership. [REDACTED] stated for example that [REDACTED] had not held an election in eight years and had signed a contract with some Racine area employers which locked in their Health and Welfare contribution without the fund's ability

MI 183A-580

Continuation of interview of [REDACTED], Page 4*

to escalate the contribution. The Racine local was merged with Local 122 in April of 1987.

[REDACTED] was not aware of any criminal activities at Local 122 or at the Racine local.

[REDACTED] was aware of [REDACTED] Local 122 [REDACTED] problem with cocaine use but he was not aware of any cocaine activity by [REDACTED] resigned from Local 122.

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FEDERAL BUREAU OF INVESTIGATION

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Date of transcription 10/21/86

Pursuant to instructions received on [redacted]
from the Federal Grand Jury. [redacted]

[redacted]

[redacted]

Investigation on 10/16/86 at Milwaukee, Wisconsin File # MI 183A-580 -6!!

AS
SA
SA
SA

[redacted]

(RLT:cc)

Date dictated 10/21/86b6
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Continuation of interview of

[Redacted]

, Page 2*

[Redacted]

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/24/87

[redacted]
 Wisconsin, was interviewed at his residence by Special Agent (SA) [redacted]. After being advised of the identity of the interviewing agent and the purpose of the interview, [redacted] voluntarily provided the following information:

[redacted] confirmed that at [redacted] the TOWN ROOM RESTAURANT and later the MILWAUKEE INN RESTAURANT located in what is now known as the PARK EAST HOTEL. PHIL VALLEY was a friend of [redacted] and headed the Hotel, Motel, Restaurant Employees and Bartenders' Union Local 122 for many years. VALLEY came to Milwaukee from Chicago. VALLEY was a close friend and business associate of FRANK BALISTRIERI. Many years ago, FRANK BALISTRIERI and VALLEY were in the fight promoting business in Milwaukee. [redacted] had no knowledge of whether FRANK BALISTRIERI exercised influence over the activities of Local 122.

[redacted] stated that VALLEY had done him a favor while he was running the TOWN ROOM RESTAURANT. Only two or three of [redacted] employees were required to be members of Local 122.

[redacted] stated that they did favors for those people who were their friends and the others simply had to participate. [redacted] went to VALLEY prior to taking over the MILWAUKEE INN RESTAURANT and asked VALLEY if he was going to bother him about the union if he took over the MILWAUKEE INN. VALLEY responded by saying, "Did I bother you here?" However, [redacted] stated that once he took over the restaurant VALLEY forced him to become completely unionized and all his employees were required to be members of Local 122.

[redacted] indicated he was very unhappy with those circumstances, but was told that because it had been unionized it had to remain that way. One of [redacted] employees must have been reporting to Local 122 because VALLEY always seemed to know when new employees were hired and would require that they join Local 122. [redacted]

confirmed that VALLEY on a nightly basis ate the MILWAUKEE INN, but he stated that VALLEY always paid for his meals. [redacted]

did not participate in any arrangements between VALLEY and [redacted] SALLY PAPIA, regarding the unionization of SALLY'S STEAK HOUSE. [redacted] stated that any arrangement between VALLEY and PAPIA would have been kept between the two of them. [redacted]

said that until recently, for a number of years he had had no contact with [redacted] SALLY PAPIA. [redacted] within the past few

Investigation on 8/12/87 at [redacted] Wisconsin File # MI 183A-580

by SA [redacted] meg Date dictated 8/18/87

MI 183A-580

Continuation of interview of [REDACTED]

Page 2*

months has visited with SALLY PAPIA at her restaurant following the death of one of his sisters. [REDACTED] has met [REDACTED] who presently heads Local 122, but does not know him well. [REDACTED] has retired from the restaurant business and has had no further contact with Local 122. [REDACTED] did not know whether JOE [REDACTED] BALISTRERI had any involvement with SALLY'S STEAK HOUSE'S difficulties with Local 122. [REDACTED] expressed concern as to whether SALLY might be in any legal trouble.

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FEDERAL BUREAU OF INVESTIGATION

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Date of transcription 8/21/86

[redacted] Milwaukee, Wisconsin, was interviewed at his residence and provided the following information:

[redacted] observed a 6 x 6½ inch card entitled Hotel, Motel, Restaurant Employees and Bartenders Union, Local 122, AFL-CIO, 135 West Wells Street, Room 428, Brumder Building, Milwaukee, Wisconsin 53202, hereinafter referred to as a sign-up card, and advised that the signature appearing on the card was not his. He said that he had never seen the card before and that he was, in fact, not a member of the union.

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[redacted] advised that he has been an employee of Sally's Steak House, since [redacted] and that he is currently employed there [redacted]. He said he works a 48 hour workweek and has Blue Cross - Blue Shield medical coverage, directly through the restaurant.

[redacted] advised that he has never been a member of the above union, nor has he ever been approached to join the union. He said he has never authorized anyone to sign his name on any documents. He is not aware of any of the employees at Sally's Steak House who are members of the union and has not received any instructions from anyone concerning what information to provide to the government in connection with the ongoing investigation which he became aware of through conversations with other employees at Sally's Steak House.

[redacted] provided a sample of his handwriting, consisting of four signatures which were dated and initialed to be retained for possible evidentiary value in 302.

Investigation on 8/15/86 at Milwaukee, Wisconsin File # MI 183A-580-480
by SA [redacted] /mrp Date dictated 8/15/86

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/1/86

[redacted] who resides at [redacted] Milwaukee, Wisconsin, telephone number [redacted] was interviewed at his residence by Special Agents [redacted] and [redacted]. The agents identified themselves to [redacted] and advised him of the nature of the interview. [redacted] voluntarily provided the following information:

[redacted] was shown a copy of a SALLY'S STEAK HOUSE memo, dated May 31, 1985, with [redacted]'S name signed near the bottom of the memo. The following statement was typed on the memo:

"I give my permission to my employer Sally's Steak House to enroll me in the Union Local 122, should the Steak House so decide to become unionized."

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[redacted] obtained his eyeglasses and after looking at the memo stated that he had signed the above memo, and that the signature was his own. [redacted] could not recall who gave him the memo to sign or who else might have been present. [redacted] did state that he signed it in the office of the restaurant. [redacted] stated that SALLY was always asking them to sign something, insurance papers, etc.

[redacted] was asked when he had signed the memo. [redacted] stated that he had signed it within the past few weeks. [redacted] indicated that it probably had been after his earlier interview by the Federal Bureau of Investigation.

[redacted] did not recall the date being on the memo when he signed it.

[redacted] was served with a copy of Federal Grand Jury subpoena [redacted] before the Grand Jury on [redacted]

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Investigation on 9/25/86 at Milwaukee, Wisconsin File # MI 183A-580-584
by SA [redacted] (RLT/meg) Date dictated 9/26/86

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/4/87

[redacted] was interviewed at his residence, [redacted] Wisconsin, by Special Agent (SA) [redacted]. After being advised of the identity of the interviewing Agent and nature of the interview, [redacted] voluntarily provided the following information:

[redacted] thought it was possible that he joined the Hotel Motel Restaurant Employees and Bartenders Union Local 122 in April, 1975. SALLY PAPIA told him that she was going to make him a union member. [redacted] was shown two copies of a Local 122 membership application. (Copies attached). After looking at these two applications [redacted] indicated that he had filled out both applications and signed both applications. [redacted] could not recall any further details concerning completing these applications other than to comment that it all seemed inconsequential to him. [redacted] union dues were paid by SALLY PAPIA and were not withheld from his paycheck.

[redacted] has never attended any Local 122 union meetings and recalled only one occasion when he had talked to someone representing Local 122 about an insurance policy. This occurred a number of years ago. [redacted] received some type of life insurance from his union membership. [redacted] was unaware of whether any pension payments or benefits were made or accrued on his behalf. [redacted] could recall only receiving a union magazine from Local 122. [redacted] did not know anyone that represented Local 122 except for [redacted] who he only knew because [redacted] come in the restaurant at various times. [redacted] had never talked with [redacted] would not know [redacted] has never participated in any election of Local 122 officers. [redacted] did not know where the Local 122 offices were located.

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Within the past year or two [redacted] voted in an election regarding the unionization of SALLY'S STEAK HOUSE. This election was conducted by SALLY PAPIA utilizing some forms and [redacted] voted that he did not want to belong to Local 122. [redacted] knew that [redacted]

Investigation on 4/29/87 at [redacted] Wisconsin File # MI 183A-580
by SA [redacted] /kal Date dictated 4/30/87

MI 183A-580

Continuation of interview of _____

Page 2

_____ In general
conversations about the union were inconsequential to _____
since PAPIA took care of everything. _____ was not instructed
as to what to say if questioned concerning his membership in
Local 122.

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In conclusion _____ stated that he belonged to Local
122 because PAPIA told him to join. _____

APPLICATION FOR MEMBERSHIP
IN THE
**HOTEL & RESTAURANT EMPLOYEES AND BARTENDERS
INTERNATIONAL UNION**
Affiliated with AFL-CIO
AND
CANADIAN LABOUR CONGRESS

Officers and Members of Local No. _____

GREETINGS—I, the undersigned, hereby make application to become a member of the Hotel & Restaurant Employees and Bartenders International Union.

If accepted I agree that I will not violate any of the provisions of the constitution and ritual of the International Union and agree to conform to the Constitution and bylaws which are now in force or may hereafter be amended, and all rules and regulations of our International Union, or any local union to which I am affiliated. I agree, as a member of or, hereby applying for membership in, do respectively designate and authorize said organization, separately and/or collectively through any of its affiliated locals, agents or representatives to represent me, and as such representatives for me, and in my behalf to negotiate and conclude agreements as to hours of labor, wages and other employment conditions, in accordance with the bylaws of said organization.

I further agree that I will not enter into or sign any individual contract of employment with any person, firm or corporation, or any contract or agreement which provides for the withdrawal of my membership from this union.

NAME _____

S. S. No. _____

RESIDENCE _____

PLACE AND DATE OF BIRTH _____

AGE _____

NEAREST RELATIVE (NAME AND ADDRESS) _____

ARE YOU A NATIVE OR NATURALIZED CITIZEN? NATIVE

DATE OF FINAL PAPERS _____

DATE OF FIRST PAPERS _____

WHERE EMPLOYED? Sally's Steak House

WHERE EMPLOYED LAST? _____

WHAT IS YOUR OCCUPATION? _____

HAVE YOU EVER BEEN A MEMBER OF THIS INTERNATIONAL UNION? NO

GIVE DETAILS _____

N. B.—Applicants making false statements on this form are liable to subsequent cancellation of membership.

DO YOU FOLLOW ANY OTHER OCCUPATION? _____

PROPOSED BY (VOUCHERS) _____

I have been employed as _____ for the period of _____ years
and do hereby affirm to the above all of which is true to the best of my knowledge and belief.

Signature of Applicant _____

DATE: 3/28/75

REPORT OF
INVESTIGATING
COMMITTEE _____

PROPOSED _____

INITIATED Auth

ACCEPTED _____

REJECTED Back

REPORT _____

PAID INITIATION FEE _____

Card. y. c.

Financial Secretary

APPLICATION FOR MEMBERSHIP
HOTEL & RESTAURANT EMPLOYEES AND BARTENDERS
INTERNATIONAL UNION
Affiliated with AFL-CIO
AND
CANADIAN LABOUR CONGRESS

Officers and Members of Local No. _____

GREETINGS — I, the undersigned, hereby make application to become a member of the Hotel & Restaurant Employees and Bartenders International Union.

If accepted I agree that I will not violate any of the provisions of the constitution and ritual of the International Union and agree to conform to the Constitution and bylaws which are now in force or may hereafter be amended, and all rules and regulations of our International Union, or any local union to which I am affiliated. I agree, as a member of or, hereby applying for membership in, do respectively designate and authorize said organization, separately and/or collectively through any of its affiliated locals, agents or representatives to represent me, and as such representatives for me, and in my behalf to negotiate and conclude agreements as to hours of labor, wages and other employment conditions, in accordance with the bylaws of said organization.

I further agree that I will not enter into or sign any individual contract of employment with any person, firm or corporation, or any contract or agreement which provides for the withdrawal of my membership from this union.

NAME _____ S. S. No. _____
RESIDENCE _____ AGE _____
PLACE AND DATE OF BIRTH _____
NEAREST RELATIVE (NAME AND ADDRESS) WIFE - SAME
ARE YOU A NATIVE OR NATURALIZED CITIZEN? NA
DATE OF FINAL PAPERS _____ DATE OF FIRST PAPERS _____
WHERE EMPLOYED? Sally's Steak House
WHERE EMPLOYED LAST? _____
WHAT IS YOUR OCCUPATION? _____
HAVE YOU EVER BEEN A MEMBER OF THIS INTERNATIONAL UNION? YES
GIVE DETAILS SAME
N. B.—Applicants making false statements on this form are liable to subsequent cancellation of membership.
DO YOU FOLLOW ANY OTHER OCCUPATION? NO
PROPOSED BY (VOUCHERS) _____

I have been employed by _____ for the period of _____ years
and do hereby affirm my knowledge and belief.
Signature of Applicant _____ DATE: 11-13-79

REPORT OF
INVESTIGATING
COMMITTEE

PROPOSED _____ INITIATED Dr. Card

ACCEPTED _____ REJECTED _____

REPORT _____

PAID INITIATION FEE _____

Financial Secretary

member
**HOTEL, MOTEL, RESTAURANT EMPLOYEES & BARTENDERS UNION,
LOCAL 122, AFL-CIO
135 W. Wells St., Room 428
Brumder Bldg., Milwaukee, Wisconsin 53203**

Date June 3, 1985

Name Job Classification

Social Security Number Place and date of birth

Age

Address Zip Telephone

Name of Employer Sally's Steak House Date of employment 7-05-83

Beneficiary Address

Employee's signature

I hereby request and accept membership in the Hotel and Restaurant Employees and Bartenders International Union, Local 122, AFL-CIO, and designate and authorize it and any subordinate body of the International Union with which it is affiliated, to represent me in collect bargaining in all matters relating to my wages, hours and conditions of employment, and to negotiate and execute agreements covering same. In making this request and in accepting membership, I hereby agree to be bound by the Constitution, laws, rules, policies and/or regulations of the above International Union, the local union, and Joint Board with which the local union is affiliated, if any, and any other affiliated local union and/or Joint Board to which I may hereafter transfer or become a member of.

CHECK-OFF AUTHORIZATION AND ASSIGNMENT

I, the undersigned member of Local 122 of THE HOTEL, MOTEL, RESTAURANT EMPLOYEES AND BARTENDER'S INTERNATIONAL UNION, AFL-CIO herewith authorize my employer to deduct from my first regular pay check, each and every month, my Union dues, consisting of dues, uniform assessments and initiation fees owing to such Local Union as a result of membership therein, and direct that such amounts so deducted shall be turned over to the authorized representative of such Local Union for and on my behalf.

This authorization and assignment shall be irrevocable for the term of the applicable contract between the Union and the Company, or for one year, whichever is the lesser, and shall automatically renew itself for successive yearly or applicable contract periods thereafter, whichever is the lesser unless I give written notice to the Company and the Union at least 30 days and not more than 60 days before any periodic renewal date of this authorization and assignment of my desire to revoke the same:

EMPLOYER:

EMPLOYEE'S SIGNATURE

WITNESS:

Date

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EXEMPLARS BY

①

8/13/86

S/A

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8/13/86

S/A

FEDERAL BUREAU OF INVESTIGATION

1*

Date of transcription 8/20/86

[redacted] Milwaukee, Wisconsin.
[redacted] was interviewed at her residence by Special Agent (SA) [redacted].
[redacted] After being advised of the identity of the interviewing agent and the purpose of the interview, [redacted] voluntarily provided the following information:

[redacted] was shown a Hotel, Motel, Restaurant Employees and Bartenders Union, Local 122, sign-up card dated June 3, 1985 with her name signed in two places on the card. After examining the signatures on the card, [redacted] stated that these signatures were not hers. [redacted] further stated that she had never seen the sign-up card before. [redacted] subsequently provided samples of her signature.

[redacted] has been employed at Sally's Restaurant for approximately four years. [redacted] work at the restaurant. [redacted] works six days a week and approximately four hours a day. [redacted] is paid \$4.50 per hour and she receives no health benefits. [redacted] was paid by check.

[redacted] does not belong to any union and she has never been approached to join. She has never paid any union dues, attended union meetings or received any union publications. [redacted] did not believe that any union dues had ever been deducted from her paycheck at Sally's. [redacted] stated that about four months ago she received a letter from Hotel Employees and Restaurant Employees (HERE), Local 122. [redacted] stated that she now recognized this letter had the same heading as the signed card. [redacted] did not know the content as she had thrown it away.

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[redacted] has never authorized anyone to sign her name.

Investigation on 8/13/86 at Milwaukee, Wisconsin File # MI 183A-580 479
by SA [redacted] mrp Date dictated 8/14/86

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/30/86

[redacted] Milwaukee, Wisconsin, was contacted at her residence. After being informed of the identity of the agents and the nature of the interview, she voluntarily furnished the following information:

[redacted] was shown a copy of a SALLY'S STEAK HOUSE memorandum dated May 31, 1985. This memorandum stated "I give my permission to my employer, SALLY'S STEAK HOUSE, to enroll me in the Union Local 122, should the Steak House so decide to become unionized." This memorandum was signed [redacted] stated that this was her signature.

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[redacted] had signed this memorandum or permission slip about a year ago and that the date on the memorandum, May 31, 1985, was probably correct, but she could not recall the exact date she had signed it. [redacted] advised that [redacted] at SALLY'S STEAK HOUSE, asked her to sign the permission slip about a year ago. [redacted] signed it and "guesses" she is a member of the union, but does not really know. She indicated that she does not understand what the union involves. [redacted] did not volunteer any additional information on union matters, but did advise that she has not been approached by SALLY PAPIA or any other management personnel at SALLY'S STEAK HOUSE since Special Agent (SA) [redacted] interviewed her on August 13, 1986, (refer to FD-302 dated August 13, 1986).

At the termination of the interview (approximately 2:50 PM), [redacted] copy of a Federal Grand Jury subpoena, [redacted] the Grand Jury on [redacted]. The document was explained to [redacted] and she indicated that she understood the requirements of the subpoena. SA [redacted] gave [redacted] a business card.

Investigation on 9/23/86 at Milwaukee, Wisconsin File # MI 183A-580 -554

by SA [redacted] (AMM/bjr) Date dictated 9/25/86

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/8/87

[redacted] date of birth [redacted]
[redacted] Milwaukee, Wisconsin,
after being advised of the identity of the interviewing agent
and the nature of the interview, voluntarily furnished the
following information:

[redacted] is currently employed as [redacted]
[redacted]
She has been at this position for two years. Previously, [redacted]
[redacted] was employed as [redacted] at SALLY'S STEAK HOUSE,
Juneau Avenue, Milwaukee. She worked five lunches and three
evenings per week from 1982-1985.

During the period of time that [redacted]
[redacted] she never joined the union, nor were
any deductions taken from her paychecks. Generally, she did
not think much about the union and in her judgement, she felt
it might be better to avoid union matters. [redacted] indicated
that she sensed that it would not be a good idea to get involved
in union activities as perhaps SALLY PAPIA would not approve.
However, PAPIA never spoke to [redacted] about the union nor did
any of the restaurant managers, [redacted]
[redacted] did not concern herself with health
insurance and therefore had no insurance while employed at SALLY'S
STEAK HOUSE. She did recall that PAPIA offered her employees
health insurance by posting a notice but it was expensive (approx-
imately \$90 per month) and therefore [redacted] decided against
obtaining health insurance. The only time she recalled anyone
discussing union matters would have been [redacted]
[redacted] had joined Local 122 in order to obtain health insurance. Apparently,
[redacted] had indicated to [redacted] that she could join the union
and get the corresponding health insurance. However, [redacted]
was not interested in becoming a union member. This would have
occurred about 2½ years ago. [redacted] presently receives health
benefits [redacted] of which she makes
a partial contribution. She advised that [redacted] is
not unionized.

[redacted] advised that she met [redacted] one time
when [redacted] for dinner approximately three

Investigation on 5/8/87 at Milwaukee, Wisconsin File # MI 183A-580
MI 156A-34

by SA [redacted] /dg

Date dictated 5/8/87

MI 156A-34
MI 183A-580

Continuation of interview of [redacted], Page 2*

[redacted] years ago. At that time, [redacted] was with [redacted] of Hotel Employees & Restaurant Employees (HERE) AFL-CIO, 55 West Van Buren, Chicago, Illinois. This information was obtained from a business card which had been [redacted]. [redacted] noted that both [redacted] and [redacted] very cordial. She has never observed [redacted] meeting with SALLY PAPIA or any of the managers at SALLY'S STEAK HOUSE.

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[redacted] continues to frequent SALLY'S STEAK HOUSE along with her boyfriend for dinner. [redacted] advised during other general conversations that she and her boyfriend are close friends with [redacted] and that she often frequents TROVATO'S PASTA HOUSE, 1601 North Jackson Street, Milwaukee.

Identifying information on the lobby name plate for [redacted] apartment reflected that she resides with [redacted]. A search of Wisconsin Driver's License records reflect that [redacted] date of birth is [redacted] white male, 5'10", weight 210, brown hair and eyes. [redacted] address is listed as [redacted] Milwaukee, Wisconsin.

FEDERAL BUREAU OF INVESTIGATION

1*

Date of transcription 8/18/86

[redacted] who resides at [redacted] Milwaukee, Wisconsin, was interviewed at his residence by Special Agent (SA) [redacted]. After being advised of the identity of the interviewing agent and the purpose of the interview, [redacted] voluntarily provided the following information:

[redacted] was shown a Hotel Motel Restaurant Employees and Bartenders Union, Local 122 sign-up card, dated June 3, 1985. After examining the two signatures on the sign-up card, [redacted] advised that the signatures on the card were not his own. [redacted] provided several dictated samples of his signature. [redacted] could not recall ever seeing the sign-up card and stated that he has not been a member of any union while employed at SALLY'S RESTAURANT. [redacted] stated that he knew some people that belonged to the Hotel and Bartenders Union, but they worked in some area hotels. [redacted] stated that he was not a member of this union, did not pay any dues himself, and no union dues were deducted from his paycheck.

[redacted] has been employed at SALLY'S RESTAURANT since [redacted]. He worked as [redacted] and he was paid \$5.50 per hour. [redacted] works six days a week, eight hours per day. [redacted] has no health insurance coverage.

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[redacted] does not recall being approached by anyone representing the Hotel and Bartenders Union. However, about two years ago, some type of sheet or list was circulated among the employees of SALLY'S concerning a union. [redacted] did not join the union. [redacted] has not received any benefits from the union.

[redacted] has been a member of other labor unions, such as the Steelworkers, during other employment prior to employment at SALLY'S.

[redacted] has never authorized anyone to sign his name. He does not think that any other employees of SALLY'S RESTAURANT belong to any union.

Investigation on 8/14/86 at Milwaukee, Wisconsin File # MI 183A-580 - 487
by SA [redacted] /nd Date dictated 8/18/86

FEDERAL BUREAU OF INVESTIGATION

1*

Date of transcription 9/16/86

[redacted] who resides at [redacted]
[redacted] Milwaukee, Wisconsin, was interviewed
[redacted] in Milwaukee by Special Agents (SAs) [redacted]
[redacted] After being advised of the identities of the
interviewing agents and the intent of the interview,
[redacted] voluntarily provided the following information:

[redacted] was shown a copy of a SALLY'S STEAK HOUSE memorandum, dated May 31, 1985. This memo contained the following statement, "I give my permission to my employer, SALLY'S STEAK HOUSE, to enroll me in the Union Local 122, should the steak house so decide to become unionized". This was signed [redacted] advised that he did sign this statement. He first stated, he signed the statement two weeks ago, then he said he signed the statement sometime after being interviewed by SA [redacted] (this interview occurred on August 14, 1986, refer to FD-302). [redacted] signed the statement in SALLY'S STEAK HOUSE office. [redacted] at SALLY'S, asked [redacted] to sign and indicated that everyone is supposed to sign one of these statements. [redacted] did not understand the statement and asked [redacted] if there was any problem for him. [redacted] responded no problem and that everyone is signing.

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Investigation on 9/10/86 at Milwaukee, Wisconsin File # MI 183A-580 -552
by [redacted] (RLT/lmd) Date dictated 9/10/86

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

GPO : 1986 O - 499-243

mem 5/11
**HOTEL, MOTEL, RESTAURANT EMPLOYEES & BARTENDERS UNION,
LOCAL 122, AFL-CIO
135 W. Wells St., Room 428
Brumder Bldg., Milwaukee, Wisconsin 53203**

Date June 3, 1985

Name [redacted] Job Classification [redacted]

(Please print)
Social Security Number [redacted] Place and date of birth 1911, WI / [redacted]

Age [redacted]

Address [redacted] Telephone [redacted]

Name of Employer Sally's Steak House Date of employment 7-97-82

Beneficiary [redacted] Address [redacted]

Employee's signature [redacted]

I hereby request and accept membership in the Hotel and Restaurant Employees and Bartenders International Union, Local 122, AFL-CIO, and designate and authorize it and any subordinate body of the International Union with which it is affiliated, to represent me in collect bargaining in all matters relating to my wages, hours and conditions of employment, and to negotiate and execute agreements covering same. In making this request and in accepting membership, I hereby agree to be bound by the Constitution, laws, rules, policies and/or regulations of the above International Union, the local union, and Joint Board with which the local union is affiliated, if any, and any other affiliated local union and, or Joint Board to which I may hereafter transfer or become a member of.

CHECK-OFF AUTHORIZATION AND ASSIGNMENT

I, the undersigned member of Local 122 of THE HOTEL, MOTEL, RESTAURANT EMPLOYEES AND BARTENDER'S INTERNATIONAL UNION, AFL-CIO herewith authorize my employer to deduct from my first regular pay check, each and every month, my Union dues, consisting of dues, uniform assessments and Initiation fees owing to such Local Union as a result of membership therein, and direct that such amounts so deducted shall be turned over to the authorized representative of such Local Union for and on my behalf.

This authorization and assignment shall be irrevocable for the term of the applicable contract between the Union and the Company, or for one year, whichever is the lesser, and shall automatically renew itself for successive yearly or applicable contract periods thereafter, whichever is the lesser unless I give written notice to the Company and the Union at least 30 days and not more than 60 days before any periodic renewal date of this authorization and assignment of my desire to revoke the same:

EMPLOYER:

EMPLOYEE'S SIGNATURE

WITNESS:

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FEDERAL BUREAU OF INVESTIGATION

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Date of transcription 11/4/86

[redacted] who resides at [redacted] Milwaukee, Wisconsin, was interviewed at the Milwaukee Office of the Federal Bureau of Investigation (FBI). After being informed of the identity of the interviewing agents and the intent of the interview, [redacted] voluntarily furnished the following information:

[redacted] was a member of the Hotel, Motel, Restaurant Employees and Bartenders Union, Local 122. [redacted]

[redacted] The secretary told [redacted] union dues should be paid back to January of 1985. [redacted] not know why the union membership was back dated, but assumed it would be to her benefit to be in the union for these extra months. Subsequently, [redacted] wrote a check for union dues to cover the period of January until May. [redacted] was shown a photocopy of the union membership sign up card, and indicated that she had signed the card on the appropriate date on the card. [redacted] advised that she had decided on joining the union for two reasons. The first reason was due to the fact that [redacted] was involved in the investigation and subsequent trial proceedings.

[redacted] During this time period, [redacted] at SALLY'S STEAK HOUSE in Milwaukee and had been employed as a [redacted]

[redacted] felt that if she joined the union, then she would be protected. [redacted] also was interested in acquiring the union medical insurance coverage. [redacted] did not have any pending medical problems at the time she joined the union. [redacted] had spoken to [redacted] who had already joined the union in order to obtain medical benefits. [redacted] were talking to other girls at SALLY'S about the union and its benefits.

[redacted] knew that she would have to go to the union office to join the union because there was no union steward at SALLY'S STEAK HOUSE. [redacted] indicated that she had never spoken to [redacted] at the union office, and she was unable to positively recognize a photograph of [redacted] remembered that when she went to the union office and paid the required membership dues, she was given a union

Investigation on 11/3/86 at Milwaukee, Wisconsin File # MI 183A-580-64
MI 156A-34

by SA [redacted]
KTS SA [redacted]

Date dictated 11/3/86

(AMM:CC)

MI 183A-580
MI 156A-34

Continuation of interview of [redacted]

, Page 2

card and a union book which was stamped or initialed with the paid dues every month. [redacted] also received some brochures on filing medical claims from a different secretary at the union office handling the medical insurance. [redacted] went to the union office twice for enrollment in the union and other membership and insurance information. While [redacted] was a member of the union, she incurred a few medical expenses for check-ups and prescriptions. She paid for these, but later sent in the receipts to the union office. The expenses were never reimbursed to [redacted] and she received no benefits. [redacted] assumed this was due to the fact that the insurance required a deductible and she had not met this deductible.

Apparently, SALLY PAPIA was contacted by the union office and advised that [redacted] had joined the union. PAPIA got very upset with [redacted] and called her into the office. PAPIA yelled at [redacted] asking her how she could possibly join the union when SALLY had been so good to her. PAPIA also wanted to know how much money the union had "ripped off" from her [redacted]. PAPIA also wanted [redacted] to show her receipts for how much she had paid to the union office. [redacted] told PAPIA that the reason she had joined the union was for the medical insurance benefits. [redacted] was reluctant to mention to SALLY that she also wanted security for her job position and, therefore, did not discuss this. PAPIA informed [redacted] that she should bring in the union dues booklet to her (PAPIA) the next day. [redacted] did this and PAPIA took the booklet from [redacted] and never returned it to her. Following this, [redacted] was crossed off the union list in July or August of 1985, and therefore, was no longer a member. [redacted] realized that she could not be a member of the union and still keep her job at SALLY'S STEAK HOUSE. During this time, PAPIA mentioned to [redacted] that if she would quit the union, then SALLY would provide her with medical coverage. However, SALLY never did make the insurance available to [redacted]. Apparently, PAPIA handled CALARCO and [redacted] who had also joined the union, in a similar fashion. [redacted] advised that when PAPIA scolded her or others, this could be heard in the office and part of the restaurant. [redacted] indicated that [redacted] JAMES JENNARO, [redacted] and [redacted] could easily have heard what PAPIA and [redacted] were talking about.

According to [redacted] PAPIA wanted to be advertised as a unionized restaurant because this was desirable publicity. However, PAPIA did not want any waitresses to join the union. [redacted] did not think many of the waitresses at SALLY'S were union members. There was no union organization at SALLY'S, and if an employee went to the union for help, the employee would have to go alone. Near this time period, SALLY called everyone into her office. PAPIA had a form statement for employees to sign if they wanted to join the union. According to [redacted] all the waitresses had to check "no" for union membership if they wanted to keep their jobs. [redacted]

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MI 183A-580
MI 156A-34

Continuation of interview of [redacted]

, Page 3

indicated that some of the waitresses may have wanted to check "yes" to join the union because they wanted health insurance and paid vacations which were not available to them. [redacted] advised that one of PAPIA'S trusted employees, [redacted] was talking down the union and discouraging waitresses from joining.

[redacted] provided a small amount of information on some of the employees who were employed at SALLY'S STEAK HOUSE as follows:

JIMMY JENNARO - Manager at SALLY'S. He hated the waitresses and treated them poorly. JENNARO basically sat at the bar and drank for a good part of the evenings. PAPIA probably paid part of JENNARO'S salary in cash.

[redacted] at SALLY'S was quiet and treated the waitresses fairly. After ABE VITERBIAE (phonetic), who used to chauffeur for SALLY PAPIA, died, [redacted] often drove SALLY.

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[redacted] had a falling out with SALLY PAPIA and walked out. [redacted] is presently working in Racine. SALLY often gave the cooks extra money as a bonus.

[redacted] at SALLY'S. PAPIA helped him out by giving his wife a job in the hat check room. [redacted] received extra cash as a bonus.

[redacted] at SALLY'S, who has left the employment of the restaurant. [redacted] was very loyal to PAPIA.

[redacted] (phonetic), [redacted] at SALLY'S, was a good friend of [redacted]

[redacted] at SALLY'S. PAPIA depends on [redacted] a lot, and is trusted. SALLY confides in her because she would never discuss anything SALLY told her. PAPIA keeps [redacted] at SALLY'S, only because he is [redacted] boyfriend.

[redacted] last name unknown (LNU), is [redacted] at SALLY'S, who only works on Saturdays taking reservations, and has a full-time job during the week. [redacted] lives with [redacted] who SALLY calls [redacted] is a detective with the Milwaukee Police Department (MPD). [redacted] is described as a short, average weight, blonde, approximately 30-40 years old.

[redacted] was a waitress, who worked at SALLY'S five years ago. She had to turn a back pay check over to PAPIA in order to keep her job. At that time, PAPIA had been ordered by the Federal Government to pay delinquent amounts of money to certain employees.

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MI 156A-34

Continuation of interview of [REDACTED]

, Page 4*

[REDACTED] at SALLY'S, is PAPIA'S [REDACTED] son and also worked at SALLY'S. However, he had a falling out with SALLY and is no longer working at the restaurant. [REDACTED] works part-time as [REDACTED] at SALLY'S. She has been there a long time, and probably gets paid in cash.

[REDACTED] at SALLY'S, and has been there a long time. [REDACTED] is related somehow to SALLY and receives extra cash as a bonus. [REDACTED] is also close to the BALISTRIERIS.

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[REDACTED] advised that the BALISTRIERIS were often in SALLY'S RESTAURANT and, in fact, JOE BALISTRIERI had a party at SALLY'S before he went away to prison.

At the termination of this interview, [REDACTED] was reminded of her scheduled appearance before the Grand Jury [REDACTED] [REDACTED] was offered an alternate time [REDACTED] to appear before the Grand Jury, and she stated that she would [REDACTED]

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 11/3/86

[redacted] who resides at [redacted]
Milwaukee, Wisconsin, was interviewed [redacted]
PANDL'S RESTAURANT, 8825 North Lake Drive, Bayside, Wisconsin,
[redacted]

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[redacted] advised she was a member of the Hotel, Motel,
Restaurant Employees and Bartender's Union, Local 122. However,
she was unable to recall the dates of her membership. [redacted]
that she did not believe she knew [redacted]
of Local 122. [redacted] stated she never had any medical claims paid
for. [redacted] joined the union while she was employed as [redacted]
at SALLY'S STEAK HOUSE in Milwaukee. SALLY PAPIA, owner of SALLY'S
STEAK HOUSE, was displeased when [redacted] joined the union, and indicated
to [redacted] that she either quit the union or quit her job at SALLY'S
STEAK HOUSE. Apparently she quit the union in order to maintain
her job. It is noted here that [redacted] was busy and, therefore,
unable to be interviewed in greater detail.

At the termination of this interview, [redacted] was served
a Federal Grand Jury subpoena - [redacted]
requiring her to appear before the Grand Jury [redacted]
[redacted] indicated that she understood the requirements
of the subpoena, and would contact Special Agent (SA) [redacted]
[redacted] if she had any questions.

Investigation on 11/1/86 at Bayside, Wisconsin File # MI 183A-580 - 637
MI 156A-34

by SA [redacted]

cc

Date dictated 11/3/86

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/20/86

[redacted] Milwaukee, Wisconsin, [redacted] was contacted at her residence and after being advised of the identities of the interviewing agents voluntarily provided the following information:

[redacted] advised that she has been employed at SALLY'S STEAK HOUSE for [redacted] advised that since being [redacted] she has "scaled back" the number of hours per week working at SALLY'S. She indicated that she currently works one day per week at an hourly rate of \$6.00. All her wages are paid by check.

[redacted] was displayed a yellow card approximately six inches by six and a half inches entitled "Hotel, Motel, Restaurant Employees and Bartenders Union, Local 122, AFL-CIO, 135 West Wells Street, Room 428, Brumder Building, Milwaukee, Wisconsin, 53203." Said card included the name of [redacted]

[redacted] dated June 3, 1985, and which also displayed in two different locations the signature of [redacted] was uncertain as to belonging to any union or paying any union dues associated with SALLY'S STEAK HOUSE. [redacted] initially advised that this was not her signature but later retracted this statement and stated that this could have been her signature.

[redacted] advised that she came to the United States from [redacted] and usually left matters relating to business, personal finances, etc. to her late husband.

[redacted] advised that all medical bills related to her accident in December of 1985 were paid by Blue Cross and Blue Shield. However, she was uncertain if this had any relation to union benefits.

Agent [redacted] and Agent [redacted] requested [redacted] to provide signature samples to agents. She replied that she was told by her attorney, [redacted] never to sign anything.

Investigation on 8/13/86 at Milwaukee, Wisconsin File # MI 183A-580 - 518
by SA [redacted] (JDS:dg) Date dictated 8/15/86

MI 183A-580

Continuation of interview of _____

[REDACTED]

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[REDACTED] advised that she was unfamiliar with
any unions affiliated with or to SALLY'S STEAK HOUSE.

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/30/86

[redacted] Milwaukee, Wisconsin, was interviewed at her residence. After being informed of the identity of the interviewing agents and the intent of the interview, she voluntarily furnished the following information:

[redacted] was shown a copy of a SALLY'S STEAK HOUSE memorandum dated May 31, 1985. This memorandum stated "I give my permission to my employer, SALLY'S STEAK HOUSE, to enroll me in the Union Local 122, should the Steak House so decide to become unionized." This was signed [redacted] advised that this was her signature.

[redacted] advised that she had signed this memorandum or permission slip over a year ago and that probably the date on the memorandum, May 31, 1985, would reflect the correct time that she signed it. However, she was unable to recall the exact date.

[redacted] indicated that SALLY gave her the permission slip and asked her if she would like to sign it and that she [redacted] would be in the union. [redacted] agreed to sign it and assumed she was and is now in the union; however, she does not understand what union membership involves. She advised that she has always had Blue Cross Blue Shield medical insurance since working at SALLY'S STEAK HOUSE. However, she was uncertain if this coverage was union related. [redacted] advised that she has worked for SALLY PAPIA for a long time and has always trusted her. [redacted]

[redacted] and does not understand these union matters and, in fact, has difficulty with the English language.

At the termination of the interview (approximately 11:25 AM), [redacted] was personally served a copy of a Federal Grand Jury subpoena requiring that [redacted] appear before the Grand Jury [redacted]

[redacted] The document was explained to [redacted] however, she had difficulty in understanding what she should do before the Grand Jury and how she would get to the Federal Building. She was also concerned that she might say something wrong, because she [redacted] and could be easily confused and not understand. [redacted] stated that she would call her son, who is an attorney,

Investigation on 9/23/86 at Milwaukee, Wisconsin File # MI 183A-580-564

by SA [redacted] AMM/bjr) Date dictated 9/25/86

MI 183A-580

Continuation of interview of [REDACTED]

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and ask him to help her understand the subpoena and what she will need to do. Special Agent [REDACTED] gave [REDACTED] a business card and advised her to call if she had any additional questions after talking to her son.

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/20/86

[redacted] Milwaukee, Wisconsin.
[redacted] was interviewed at his residence by Special Agent (SA) [redacted]
[redacted] and his wife were advised of the identity of the
interviewing agent. [redacted] was advised that the purpose of
the interview was to verify some union records which had been
obtained during an investigation. [redacted] voluntarily provided
the following information:

[redacted] was shown a sign-up card for the Hotel, Motel,
Restaurant Employees and Bartenders Union, Local 122, dated
June 3, 1985, bearing the signature [redacted]
after examining the signature, stated that the signature on the
card was not his signature and that he could not recall ever
seeing the described sign-up card. [redacted] stated that he never
connects the [redacted] in his last name to the following letters.
[redacted] subsequently provided several samples of his signature
including copies of three money orders containing his signature.

[redacted] was employed as a bartender at Sally's Restaurant
from approximately April 1984 until April 1986. [redacted] worked
four to five days a week, averaging thirty plus hours per week.
He was paid by check and SALLY provided health insurance through
Blue Cross/Blue Shield.

[redacted] stated he was not a member of any union and
that he had never been approached by anyone representing
Local 122. [redacted] stated that about four years ago, he might
have been a member of Local 122 [redacted]
[redacted]

A sheet, slip or card, [redacted] was uncertain as to
which, was circulated among the employees at Sally's regarding
joining the union. [redacted] talked to [redacted] at
Sally's Restaurant, and SALLY PAPIA about the union, and both
indicated that it was up to him. [redacted] decided not to join
the union and did not hear anything more about it.

[redacted] has never received any benefits from the
union and does not receive any union mail or publications.
[redacted] has never attended any union meetings and did not
know anything about Local 122.

Investigation on 8/13/86 at Milwaukee, Wisconsin File # MI 183A-580 - 494

by SA [redacted] mrp Date dictated 8/14/86

MI 183A-580

Continuation of interview of [REDACTED]

, Page 2*

[REDACTED] never paid any union dues and indicated that he did not think that any union dues were ever deducted from his check at Sally's Restaurant because he usually knew the amount of his paycheck; however, he could not be certain that no dues were withheld.

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[REDACTED] had no idea whether any other employees of Sally's Restaurant were union members. [REDACTED] advised that he is [REDACTED] of SALLY PAPIA and that he is currently employed as [REDACTED] at Frascona Buick.

[REDACTED] has never authorized anyone to sign his name.

FEDERAL BUREAU OF INVESTIGATION

1*

Date of transcription 8/21/86

On August 13, 1986, [redacted] was interviewed at his residence at [redacted] Milwaukee, Wisconsin. A 6 x 6½ inch sign-up card for the Hotel, Motel, Restaurant Employees and Bartenders Union was displayed to him which bore his name and two signatures. When questioned as to the authenticity of the signatures on the above union sign-up card, [redacted] advised that he would be willing to cooperate with the Federal Bureau of Investigation (FBI) but that he would prefer to have the opportunity to speak to his attorney prior to answering any questions. He would not identify the attorney with whom he wished to speak.

On August 14, 1986, [redacted] was reinterviewed at his residence and stated that his attorney had advised him to refuse to answer any questions concerning the union sign-up card or to provide samples of his handwriting until such time as the investigation goes before the Federal Grand Jury.

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Investigation on 8/13, 14/86 at Milwaukee, Wisconsin File # MI 183A-580 -477
by SA [redacted] /mrp Date dictated 8/15/86

FEDERAL BUREAU OF INVESTIGATION

1*

Date of transcription 8/28/86

[redacted] Milwaukee, Wisconsin, was contacted at her residence and after being advised of the official identity of the interviewing agent and of the nature of the interview, she voluntarily provided the following information:

[redacted]
[redacted] for SALLY'S STEAK HOUSE.
Milwaukee, Wisconsin. [redacted]
[redacted]

[redacted] advised that she has never been approached to join any union, nor is she currently a member of any union associated with SALLY'S STEAK HOUSE. [redacted] could not recall receiving any benefits or ever attending any union meetings or receiving any union publications. [redacted] displayed a current pay stub receipt from SALLY'S STEAK HOUSE, which indicated an approximate net pay of \$189.00. No deductions were noted from wages for union dues. Agent queried [redacted] as to any wages being paid towards union dues and she advised that she does not belong to any union and therefore does not pay any union dues.

[redacted] advised that she was not aware of any employees at SALLY'S STEAK HOUSE who are union members. She further advised that she had not been approached by anyone as to how to respond to any questions regarding the union.

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Agent displayed a six inch by six and one half inch yellow card entitled, "Hotel, Motel, Restaurant Employees and Bartenders Union, Local 122, AFL-CIO, 135 West Wells Street, Room 428, Brumder Building, Milwaukee, Wisconsin 53203". Said card further indicated the name of [redacted] dated June 3, 1985, Social Security number [redacted] employer SALLY'S STEAK HOUSE. It further noted, in two separate places, the employee's signature, [redacted] [redacted] advised that she does not recall signing such a card or if, in fact, the signature was hers. [redacted] further advised that she does not recall seeing this membership card previously. At this time, [redacted] requested to confer with her husband or son. Agent, thereafter, terminated the interview.

Investigation on 8/13/86 at Milwaukee, Wisconsin File # MI 183A-580 - 496
by SA [redacted] /nd Date dictated 8/15/86

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 7/29/86

[redacted] Milwaukee, Wisconsin, was contacted at her residence. After being advised of the identity of the interviewing agents, and the nature of the interview, she voluntarily furnished the following information:

[redacted] was shown a copy of a SALLY'S letterhead memorandum or permission slip, dated May 31, 1985. The memo stated, "I give my permission to my employer, SALLY'S STEAK HOUSE, to enroll me in the union Local 122, should the STEAK HOUSE so decide to become unionized." This was signed [redacted] verified that this was her signature.

[redacted] advised that she had signed this permission slip about a year ago and that the date on the permission slip, May 31, 1985, was probably correct. Although she was unable to recall the exact date she signed it, [redacted] acknowledged that the document had something to do with the union and that she would be a member.

[redacted] stated one of the managers at SALLY'S STEAK HOUSE had given her the memo to sign, but she could not recall which manager.

[redacted] would have given her this memo in the office at SALLY'S. [redacted] was often in and out of the office at SALLY'S and did not take much notice of what she signed.

[redacted] and if she wanted her to sign something, then she would. She indicated she does have health insurance, and that SALLY'S pays for it. She does not believe this insurance is provided by the union. So far she has not received any type of benefits from the union, and there are no union deductions taken out of her pay check.

[redacted] has not signed anything since she was last interviewed by Special Agent (SA) [redacted] on August 13, 1986 (refer to FD-302 dated August 13, 1986).

At the termination of the interview, (approximately 4:00 pm) [redacted] a Federal Grand Jury subpoena requiring [redacted] The document was explained to [redacted] and she advised that she understood the requirements of the subpoena. SA [redacted] gave [redacted] a business card.

Investigation on 9/26/86 at Milwaukee, Wisconsin File # MI 183A-580-548

by SA [redacted] /cc
SA [redacted] (OLR)

Date dictated 9/26/86

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 8/21/86

[redacted] Milwaukee, Wisconsin, after being informed of the identity of the interviewing agent and the intent of the interview, furnished the following information:

[redacted] has been an employee at Sally's Steak House, Milwaukee, Wisconsin [redacted] He began working at Sally's [redacted] a full-time basis. His hours of work are 6:00 p.m. to 2:00 a.m., five days per week. He is off Sunday and Monday. [redacted] advised that he receives \$7 per hour and time and a half for time worked over 40 hours per week. SALLY PAPIA pays full Blue Cross/Blue Shield medical benefits with paid holidays and three weeks paid vacation. He did not know if he got paid for sick time. [redacted] indicated that when he first started work at Sally's Steak House, he was a salaried employee. However, approximately five years ago, SALLY PAPIA decided to use time cards to determine employee hours. Previous to working at Sally's, [redacted] was employed at Dino's Lounge in Milwaukee.

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[redacted] advised that he had been a member of the union; however, about one year ago, he indicated to SALLY PAPIA that he no longer wanted to be a union member. SALLY made no comment and the subject never came up again. [redacted] recalled signing something to get out of the union, but he could not remember details. He never received any benefits from the union and never paid any dues nor were any monies deducted from his paycheck for this purpose that he is aware of. He has never attended any type of union meetings; however, he continues to receive a monthly union newspaper. He assumes that other employees may belong to the union, but he has never discussed this with them. [redacted] indicated that he has no interest in union matters. [redacted] has never authorized anyone to submit or sign his name for union membership. He has not received any type of comments or instructions from anyone at the restaurant concerning union matters.

Upon presentation of the Hotel, Motel, Restaurant Employees and Bartender's Union, Local 122, AFL-CIO, sign-up membership card to [redacted] he advised that he has never seen the card that nor had he signed it. Subsequently, [redacted]

Investigation on 8/13/86 at Milwaukee, Wisconsin File # MI 183A-580-472

SA [redacted]

mrp

Date dictated 8/15/86

MI 183A-580

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b7cContinuation of interview of , Page 2*

provided samples of his signature. He also furnished two pay stubs from Sally's Restaurant dated October 9, 1982 and October 23, 1982, of which copies were made.

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/30/86

[redacted] Milwaukee, Wisconsin, was interviewed at his residence. After being informed of the identity of the interviewing agents and the intent of the interview, he voluntarily furnished the following information:

[redacted] was shown a copy of a SALLY'S STEAK HOUSE memorandum dated May 31, 1985. This memorandum stated "I give my permission to my employer, SALLY'S STEAK HOUSE to enroll me in the Union Local 122, should the Steak House so decide to become unionized," this was signed [redacted] advised that this was his signature.

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[redacted] stated he signed "something" in June of 1986 before he went on his vacation, and he assumed that it was probably this SALLY'S memorandum. He advised that it [redacted] at SALLY'S, that gave him this memorandum or permission slip.

[redacted] stated he did not think it involved the union, but that he could not remember. He was unable to provide any additional details concerning this memorandum, and was very vague. However, he did indicate that he did not sign the memorandum in May of 1985. He advised that he did not really notice what he signed at SALLY'S STEAK HOUSE because SALLY would never do anything to harm him.

[redacted] stated he has not signed anything since the time he was interviewed by Special Agent (SA) [redacted]

[redacted] He indicated he has not been recently approached by SALLY PAPIA or any other management personnel at SALLY'S STEAK HOUSE concerning union matters.

At the termination of the interview, (approximately 10:50 AM), [redacted] copy of a Federal Grand Jury subpoena requiring [redacted] before the Grand Jury [redacted] The document was explained to [redacted] and he indicated that he understood the requirements of the subpoena.

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Investigation on 9/23/86 at Milwaukee, Wisconsin File # MI 183A-580-563
by SA [redacted] (AMM/bjr) Date dictated 9/24/86

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FEDERAL BUREAU OF INVESTIGATION

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Date of transcription 12/3/86

[redacted] Milwaukee, Wisconsin, after being informed of the identity of the interviewing agent and the nature of the interview, voluntarily furnished the following information:

[redacted] advised that she is currently employed at Sally's Steak House, Milwaukee, Wisconsin.

[redacted] had been a member of the Hotel, Motel, Restaurant Employees and Bartender's Union - Local 122 for many years. She indicated that she joined the union in 1950 or 1952. At that time union membership was mandatory if the individual was employed in a closed house. This meant that all employees of a unionized restaurant had to pay dues and be union members. Later, however, restaurants and hotels did not have to show all employees as union members and could have partial membership if desired.

[redacted] Years ago, [redacted] remembered that the union health benefits were always very good. However, after she got married 15 years ago, she did not enroll in the health insurance program because her husband had health insurance through his employment and consequently she could be covered under his plan. Therefore, she has not been involved in the union health insurance for a long time. [redacted] maintained her union membership and recalled routinely receiving the "Labor Press" newsletter.

[redacted] had always paid her union dues directly to the union office approximately every three months. She never talked to SALLY PAPIA about the union and was not even aware if PAPIA realized she was a union member. [redacted] never had any deductions from her paycheck for union related matters. She has always been treated fairly by SALLY PAPIA and is confident that SALLY would not care one way or another if an employee joined the union. [redacted] recalls PAPIA presenting the employees with some kind of questionnaire on the Local 122 union. The questionnaire was given to determine

Investigation on 11/24/86 at Milwaukee, Wisconsin File # MI 156A-34 - 215
MI 183A-580

by SA [redacted]

/mrp

Date dictated 11/26/86

MI 156A-34
MI 183A-580

Continuation of interview of [REDACTED]

, Page 2*

if employees were interested in joining the union. To [REDACTED]'s knowledge, the majority of the employees checked "no", probably because they could have health insurance with a spouse, and this would be the prime benefit of union membership. [REDACTED] indicated that SALLY may offer Blue Cross-Blue Shield medical benefits to her salaried employees.

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[REDACTED] advised that she does know [REDACTED] of the Local 122 Union and has waited on him a few times when he came into Sally's Steak House for dinner. [REDACTED] has never observed SALLY PAPIA and [REDACTED] meeting together.

FEDERAL BUREAU OF INVESTIGATION

1*

Date of transcription 8/21/86

[redacted], [redacted]
Milwaukee, Wisconsin, after being informed of the identity of the interviewing agent and the intent of the interview furnished the following information:

[redacted] has been an employee of Sally's Steak House Restaurant, Milwaukee, Wisconsin, for [redacted]. He began working at Sally's on July 16, 1978 and is employed as a full-time chef. His hours of work are 3:30 p.m. to 11:30 p.m., six days per week. [redacted] is off on Sundays. He receives \$9 per hour with time and a half for time worked. [redacted] SALLY PAPIA pays full Blue Cross/Blue Shield medical benefits with paid holidays and one week's paid vacation. [redacted] is not paid for sick days.

[redacted] advised that to his knowledge he has never been a member of any unions. He recalled a posted notice at Sally's Restaurant sometime within the past year. The notice was an announcement to sign up for union membership if interested. [redacted] did not sign up and later mentioned to SALLY PAPIA that he was not interested in joining. PAPIA made no comment on this. [redacted] has never signed any documents in connection with joining the union nor has he authorized anyone to submit or sign his name for union membership. He has never attended any union meetings, received any union publications, nor has he ever had any monies withheld from his paycheck for union dues. [redacted] has never voted on union matters nor is he aware of any other employees at the restaurant who are members of the union. He has not received any type of comments or instructions from anyone at the restaurant concerning union matters.

Upon presentation of the Hotel, Motel, Restaurant Employees and Bartender's Union, Local 122, AFL-CIO sign-up membership card to [redacted] he advised that he has never seen the card and that he never signed this same card. Subsequently, [redacted] provided samples of his signature.

Investigation on 8/13/86 at Milwaukee, Wisconsin File # MI 183A-580 -471

DM
by SA [redacted]

mrp

Date dictated 8/15/86

FEDERAL BUREAU OF INVESTIGATION

1*

Date of transcription 9/16/86

[redacted]
Milwaukee, Wisconsin, was interviewed at his residence by Special Agent (SA) [redacted] and SA [redacted] Milwaukee, Office of Labor and Racketeering (OLR). After being informed of the identity of the interviewing agents and the purpose of the interview, he voluntarily furnished the following information:

[redacted] was shown a copy of a SALLY'S STEAK HOUSE memorandum, dated May 31, 1985. This memo contained the following statement, "I give my permission to my employer, SALLY'S STEAK HOUSE, to enroll me in the Union Local 122, should the Steak House so decide to become unionized".

This statement was then signed [redacted]. [redacted] advised that he did sign this statement a few weeks ago. He was unable to recall the exact time he signed it, but indicated it was after being interviewed by SA [redacted] (this interview occurred on August 13, 1986, refer to FD-302).

[redacted] had walked into [redacted] office at SALLY's a few weeks ago, on [redacted] in the office was a stack of these memorandums. [redacted] if he would sign this form. [redacted] read the form briefly and decided to sign it. [redacted] indicated that it would make no difference to him if he was or was not a member of the union.

[redacted] advised that he could not recall if there was a date on the memorandum at the time he signed it. [redacted] had no knowledge if anyone else had signed this form. He has not been approached by SALLY PAPIA or any other person in management at SALLY'S regarding union matters. However, during a recent [redacted] meeting at SALLY's, the recent Federal Bureau of Investigation (FBI) interest in SALLY'S came up. SALLY PAPIA responded that she had nothing to hide and they (the FBI) were investigating everyone.

Investigation on 9/10/86 at Milwaukee, Wisconsin File # MI 183A-580 - 561

by SA [redacted] lmd Date dictated 9/10/86

FEDERAL BUREAU OF INVESTIGATION

8/8/86

Date of transcription

[redacted] of OPTIPROP INC., located at 720 North Third Street, Milwaukee, Wisconsin, was interviewed by Special Agent (SA) [redacted] at his office. [redacted] advised of the identity of the interviewing agent and the purpose of the interview. [redacted] voluntarily provided the following information:

[redacted] was an [redacted] of The Milwaukee Hotel Industry Health and Welfare Fund and Pension Trust Fund. [redacted] was resigning from this position because the hotels they operate no longer represent major factors in the Milwaukee Hotel Industry. [redacted] and the [redacted] family [redacted] wife's maiden name) at one time owned the Randolph, Antler, Wisconsin, and Belmont Hotels. Presently they own the Wisconsin and Belmont. The Marc Plaza, Red Carpet, and Hyatt Hotels are among the most significant hotels presently and [redacted] felt persons from these hotels should serve as Trustees. The new Employer Trustees for the Fund were [redacted] of the Marc Plaza Hotel, and [redacted] of the Park East Hotel. [redacted] who heads The Greater Milwaukee Hotel Association, remains as an Employer Trustee. [redacted] was a paid staff person for The Greater Milwaukee Hotel Association. [redacted] was the Administrator of The Health and Welfare Fund and the Pension Trust Fund for many years. A [redacted] had been involved with the Fund since its beginning under PHIL VALLEY. VALLEY started Hotel Employees and Restaurant Employees Local 122. BASS thought that the original [redacted] father or uncle.

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The Health and Welfare Fund did business for a number of its early years with the Union Labor Life Insurance Company. This policy called for payment of dividends to the Fund or additional payments from the Fund depending on the amount of claims against the insurance company. The Fund for a number of years did not receive any dividends and then subsequently switched to the Mutual of Omaha Insurance Company. They immediately began receiving substantial dividends. These dividends enabled the Fund to accumulate reserves in excess of a half a million dollars. These

Investigation on 7/29/86 at Milwaukee, Wisconsin File # MI 183A-580 -513
MI 156A-34
by SA [redacted] /ls Date dictated 8/4/86

MI MI 156A-34

Continuation of interview of _____

, Page 2

dividends resulted from the poor coverage that the Fund insurance provided the union members. The policy paid fixed amounts for health claims. _____ the example of a policy paying only \$49.00 a day for a hospital room despite the cost of the room being considerably in excess of that amount. This additional cost beyond the fixed amount had to be paid by the union member. _____ indicated that for the employees this was a poor policy.

_____ felt that _____ was incompetent as a Fund Administrator due to the errors and mistakes that were made over the years. _____ operated through NORTON AND ASSOCIATES and Third Party Administrators. _____ was terminated as Fund Administrator in 1984. _____ did not feel that _____ was "evil" but only incompetent. _____ stated that the Trustees decision to remove _____ was unanimous. _____ who replaced PHIL VALLEY at HOTEL EMPLOYEES AND RESTAURANT EMPLOYEES LOCAL 122 (HERE Local 122) did not get along with _____. _____ stated that no information regarding monies being stolen or missing from the Fund came to his attention and to his knowledge, all claims were paid properly. The trustees had an accounting firm (FINE) spot check the payment of claims.

_____ provided the following example of a _____ error. _____ would indicate to the Trustees that he had received a bid of \$20,000.00 for a particular service and later the Trustees would receive a bill for \$32,000.00. _____ felt that _____ tended to take a bidders offhand comment and present it as a firm bid, and later this mistake would come to light. _____ subsequently stated that an incident exactly like this example did not occur but the example was only like errors _____ would make).

_____ NORTON AND ASSOCIATES and Third Party Administrators, was responsible for processing employer contributions into the Funds and handling all processing and payment of claims for the Funds. _____ was paid an administrative fee by the Trustees based on a flat fee per person covered by the Funds. The Trustees also stipulated that _____ was to receive no commissions but rather any such monies were to be paid into the Fund.

In approximately 1983, the Fund went self insured dropping the Mutual of Omaha insurance. The Trustees made this decision to go self insured after they had accountants examine the Fund, and when faced with rising insurance premiums, _____ was also in favor of the move to the self insured status. _____ stated that after going self insured, the Fund quickly expended its reserves. _____ attributed this to rising medical costs, increased benefits, and more claims. The Fund did not have "stop

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MI 156A-34

Continuation of interview of _____

, Page 3*

loss" insurance or re-insurance to limit the Fund's liabilities despite [] wanting this coverage. [] said at one point they had some "stop loss" coverage but the company quit providing coverage when [] was terminated as Administrator. The Fund has now paid all liabilities incurred while they were self insured except for some rather large claims at The Milwaukee County Hospital. The Fund is negotiating these claims with the hospital. [] was uncertain as to whether the Fund would be able to pay these claims on a dollar for dollar basis. The Fund, since July, 1985, has a contract with Prime Care Health Maintenance Organization (HMO) that is providing health care services.

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[] stated that following [] as Fund Administrator, the Trustees employed First Administrators as Fund Administrators. First Administrators was owned by FIRST BANK MILWAUKEE, however, shortly thereafter, FIRST BANK sold First Administrators to [] who were employees of FIRST BANK. The Fund remained with this firm which operated as First Benefit Administrators. [] commented that going from [] to First Benefit was like going from the frying pan into the fire. [] stated that First Benefit was being sold and that a Chicago firm was attempting to purchase First Benefit and these purchases had advised the trustees that they could straighten everything out as they wanted to retain the Milwaukee Hotel Industry funds as a client. [] provided the name TEDROW or TEDROWE AND ASSOCIATES for the Chicago firm attempting to purchase First Benefit. The Fund Trustees would be making a decision in the near future regarding who was to continue as Fund Administrator.

FEDERAL BUREAU OF INVESTIGATION

-1-

Date of transcription 1/16/87

[redacted] of Optiprop, Incorporated and [redacted] for the Milwaukee Hotel Industry Health and Welfare Fund was interviewed at [redacted] Milwaukee Wisconsin. [redacted] was aware of the identity of the interviewing agents and voluntarily provided the following information:

[redacted] was an employer trustee of the Milwaukee Hotel Industry Health and Welfare Fund and Pension Trust Fund from the late sixties when the fund began until July, 1986. [redacted] attended almost all trustee meetings. [redacted] was not aware that Sally's Steak House was delinquent in making contributions to the fund. Employer payments to the fund which were delinquent were handled by a report from the fund administrator at the trustee meetings. [redacted] could not recall any delinquencies being reported for Sally's Steak House, but stated that they would be reflected in the meeting minutes. Past minutes of the trustee meetings would probably be retained by the fund administrator and fund attorneys.

[redacted] stated that special circumstances regarding health claims eligibility could be appealed to the trustees. During the time the fund was self-insured, the trustees received a larger number of appeals since no insurance company was involved.

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No single trustee had authority to advise the fund administrator to approve and pay a special claim and likewise, the three union trustees jointly could not act to approve a special claim without calling a trustee board meeting and there were meeting notification procedures to be followed. [redacted] stated that any such action by a trustee would not be in character with past behaviors he has experienced as a fund trustee.

[redacted] was questioned as to whether an individual, [redacted] at Sally's, could have health claims paid for by the fund without her employer, Sally's Steak House, making contributions to the fund. [redacted] stated that it was his understanding of fund rules and past applications that [redacted] would not be eligible for benefits as the fund and the other employees participating would be incurring expenses without receiving contributions.

Investigation on 1/12/87 at Milwaukee, Wisconsin File # MI 156A-34
MI 183A-580
by SA [redacted] Date dictated 1/13/87
SA [redacted] (RLT/dmb)

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MI 156A-34
MI 183A-580

Continuation of interview of _____

, Page 2*

_____ did not recall any special claims for _____ being discussed by the trustees and he does not believe such a claim was handled by the trustees. _____ affirmed that such a matter would be in the minutes of the trustee meetings.

_____ confirmed that in 1985, the fund was near the end of its self-insured period and the fund was in very poor financial condition.

_____ stated the trustees had an executive board which consisted of the administrator, a union trustee and _____. This executive board could okay payment of fund bills.

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/26/87

[redacted] Wisconsin, was interviewed at his residence. After being advised of the identity of the interviewing agents and the nature of the interview, he voluntarily furnished the following information:

[redacted] advised that [redacted] JAMES R. JENNARO, manager at SALLY'S STEAK HOUSE in Milwaukee. In fact, JIMMY JENNARO [redacted] obtain employment as [redacted] at SALLY'S STEAK HOUSE. [redacted] had worked at SALLY'S for approximately six years but had recently left SALLY'S due to her pregnancy. [redacted] had incurred extensive medical bills in late 1984 and early 1985. During this period, she attempted to get her bills paid through the Milwaukee Hotel Industry (Local 122) Health Fund. [redacted] of Local 122, had indicated to [redacted] that she should be able to obtain medical insurance benefits because SALLY'S STEAK HOUSE was a unionized restaurant and [redacted] had been an employee for a considerable period of time. However, during the summer of 1985, [redacted] medical bills came due but were not paid.

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[redacted] had previously indicated to [redacted] [redacted] bills could not be paid until SALLY PAPIA, owner of SALLY'S STEAK HOUSE, contributed to the fund on [redacted] behalf. [redacted] was determined to talk to PAPIA about these bills. Subsequently, she went to PAPIA's restaurant sometime during the summer of 1985. [redacted] was with [redacted] at this time and [redacted] may have joined them later. SALLY PAPIA avoided [redacted] and would not meet with her. [redacted] had a few drinks, became intoxicated, and became more verbal and angry concerning this situation. Later, at approximately 9:00 p.m., JIMMY JENNARO telephoned [redacted] at his place of employment in order to ask him to pick up [redacted]

[redacted] arrived at SALLY'S STEAK HOUSE and spoke to JENNARO. JENNARO told [redacted] was mad and was swearing at JENNARO about [redacted] bills. During this conversation, [redacted] expressed concern over [redacted] bills and noted that it was a shame that these medical expenses could not be covered as [redacted] had worked for SALLY'S for such a long time. JENNARO responded that SALLY could not be expected to provide everything for everyone

Investigation on 1/16/87 at Milwaukee, Wisconsin File # MI 156A-34 - 243
MI 183A-580
by SA [redacted] (AMM:dg) Date dictated 1/16/87

MI 156A-34
MI 183A-580

Continuation of interview of

[REDACTED]

, Page 2*

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and the subject was dropped. [REDACTED] was not overly concerned with this statement, indicating [REDACTED] was lucky to have a decent job and she should not really expect too many extra benefits.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/20/87

[redacted] date of birth [redacted]
[redacted] Wisconsin, was interviewed at her residence. After being informed of the identity of the interviewing agents and the nature of the interview, she voluntarily furnished the following information:

[redacted] advised that she is a long time friend of [redacted]
[redacted] of Local 122. [redacted] became acquainted with [redacted] while managing a restaurant named [redacted] on the south side of Milwaukee around 1975. According to [redacted] [redacted] used to frequent this establishment and they became friends. They continued to be friends while [redacted] of SNUG'S RESTAURANT in Milwaukee and later when he became [redacted] of Local 122.

[redacted] recalled that in late 1984 or early 1985, her daughter [redacted] was distraught concerning her medical expenses. [redacted] had incurred extensive medical bills due to a recent surgery. [redacted] was unable to pay these bills as she did not have health insurance. During that time, [redacted] was employed as [redacted] at SALLY'S STEAK HOUSE in Milwaukee and had been there for at least a few years. [redacted] thought that [redacted] should be able to obtain health insurance through her employment at SALLY'S STEAK HOUSE. As [redacted] was a personal friend of [redacted] she called [redacted] and talked to him on her daughter's behalf. [redacted] indicated to [redacted] that [redacted] should have insurance coverage through Local 122 as SALLY'S STEAK HOUSE was a unionized restaurant. [redacted] subsequently advised [redacted] to tell [redacted] to come over to the union office located on 231 West Wisconsin Avenue in Milwaukee, which she did.

However, [redacted] was concerned and questioned [redacted] if she could receive health benefits when she had not been a member of Local 122 when she incurred her expenses. [redacted] was also unsure if SALLY'S STEAK HOUSE was unionized. However, [redacted] assured her that these medical bills should be covered through the union as she had been an employee of SALLY'S STEAK HOUSE for a long time. [redacted] was unaware of further details involving conversations between [redacted] or SALLY PAPIA.

Investigation on 1/14/87 at [redacted] Wisconsin File # MI 156A-34
SA [redacted] (AMM:dg) Date dictated 1/15/87
by SA [redacted]

MI 156A-34
MI 183A-580

Continuation of interview of [REDACTED]

, Page 2*

Later, during the summer of 1985, [REDACTED] bills became due but were not being paid. [REDACTED] contacted [REDACTED] in order to determine why these bills were not being paid. [REDACTED] was under the impression that her bills would be paid through the union insurance. [REDACTED] also telephoned [REDACTED] in order to resolve this problem. [REDACTED] indicated that [REDACTED] was upset because SALLY PAPIA did not want to pay contributions which were owed to the union's health fund. [REDACTED] stated to [REDACTED] bills could not be paid until SALLY remitted contributions to the fund on behalf of [REDACTED]. [REDACTED] advised [REDACTED] that he had attempted to meet with SALLY in order to straighten this out, but SALLY continually postponed and cancelled meetings indicating that she had other commitments. [REDACTED] also tried to meet with SALLY at the restaurant, but SALLY would not meet with [REDACTED] and avoided her.

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According to [REDACTED] SALLY PAPIA was reported to be very difficult to work for and had given [REDACTED] a hard time at the restaurant. [REDACTED] felt that SALLY PAPIA was upset with [REDACTED] over these health claims that [REDACTED] had incurred and the fact that she was attempting to get these bills paid for by the union health insurance. [REDACTED] remembered that [REDACTED] had talked to JIMMY JENNARO, manager of SALLY'S STEAK HOUSE, concerning [REDACTED] health bills and lack of payment. [REDACTED] did not know the details of this conversation but advised that JIMMY JENNARO has been a [REDACTED] for a long time.

[REDACTED] bills were eventually paid in late 1985. [REDACTED] assumed that SALLY PAPIA had finally paid what she owed and everything had been worked out.

[REDACTED] asked [REDACTED] recently if it would still be all right for her to call him or if he might be upset with her over [REDACTED] health insurance problems and the subsequent investigation by the Federal Bureau of Investigation (FBI). [REDACTED] responded that everything was all right and his actions were all above board and that they could continue to be friends. [REDACTED] mentioned that she saw [REDACTED] with his wife at the recent grand opening of TROVATO'S PASTA HOUSE on Jackson Street in Milwaukee. [REDACTED] advised that [REDACTED] who owns the restaurant.

FEDERAL BUREAU OF INVESTIGATION

1*

Date of transcription 1/20/87

[redacted]
 Wisconsin, provided the following information to Special Agents [redacted] and [redacted] on January 16, 1987. This information was furnished during an interview of [redacted] at this residence:

[redacted] advised that she telephoned [redacted] Local 122, last night. [redacted] is a good friend of [redacted] and she wanted to talk to him concerning an ongoing investigation by the Milwaukee Federal Bureau of Investigation (FBI), which concerns [redacted] and [redacted] had incurred large medical bills in late 1984 and 1985. During this time, [redacted] had indicated to [redacted] that Local 122's health insurance could cover these bills, as [redacted] had worked for SALLY'S STEAK HOUSE in Milwaukee, a unionized restaurant, for a long time. However, SALLY PAPIA, owner of SALLY'S STEAK HOUSE, had not contributed to the health fund on [redacted] behalf.

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During this telephone conversation, [redacted] informed [redacted] that agents of the Milwaukee FBI had interviewed her that day regarding this matter. [redacted] asked [redacted] how [redacted] medical bills actually did get paid in November of 1985. [redacted] told [redacted] that SALLY PAPIA had finally given him a check for back contributions and this was how JOANN's bills were eventually paid. [redacted] expressed relief over this statement by [redacted]

Investigation on 1/16/87 at [redacted] Wisconsin File # MI 156A-34 -239
MI 183A-580
 by SA [redacted] (AMM:dg) Date dictated 1/16/87

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/15/87

[redacted]
Wisconsin, telephone number [redacted] was interviewed at her residence. After being advised of the identity of the interviewing agent and nature of the interview, she voluntarily furnished the following information:

[redacted] advised that she currently is conducting a fund administration consulting business in her home. [redacted] was previously employed [redacted] at FIRST ADMINISTRATION which later transferred to FIRST BENEFIT ADMINISTRATORS under the ownership of [redacted] recalled picking up the administration of the Milwaukee Hotel Industry Health and Welfare Fund - Local 122 in August of 1984. She continued the management of the Local 122 account up until the time when she left the employ of FIRST BENEFIT ADMINISTRATORS on February 1, 1985. As [redacted] advised that her only direct supervisors were [redacted] She noted that she was [redacted] (who was in the position of [redacted] and in that regard, [redacted] held the responsibility of ensuring that all health claims were processed correctly on a timely basis. In addition, [redacted] was responsible for handling any unusual or difficult claims questions. [redacted] worked directly out of the Local 122 union office in the Milwaukee downtown area. In this capacity, [redacted] processed the health claims authorizing payment of claims after verifying proper member eligibility through the eligibility reports. [redacted] had a terminal computer for paying claims at the Local 122 office location and kept all the files for the Milwaukee Hotel Industry health claims in this area. This location was convenient for union members in that they would call or visit [redacted] directly concerning health benefits. [redacted] recalled that the union was adamant about having an employee from FIRST BENEFIT ADMINISTRATORS in the Local office space in order to directly handle claims for that group. In fact, this was one of the conditions the union had placed on the administrator in order to obtain this account.

[redacted] recalled that [redacted] would have been in the position of [redacted] at the time [redacted]

Investigation on 7/8/87 at [redacted] Wisconsin File # MI 156A-34 -296
MI 183A-580

by SA [redacted]

/ls

Date dictated 7/11/87

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Continuation of Interview of _____

Page _____

_____ was employed at FIRST BENEFIT ADMINISTRATORS, INC. _____ was responsible for handling employer union contact information and the employer contributions. _____ commented that _____ replaced _____ at the time _____ was laid off from FIRST BENEFIT ADMINISTRATORS. _____ was not replaced after she left the employ of FIRST BENEFIT ADMINISTRATORS.

_____ was unable to recall if SALLY'S STEAK HOUSE in Milwaukee had a labor agreement with Local 122 and therefore could not recall paying claims on any specific SALLY'S employees. She advised that the claims were paid on the basis of the employee eligibility lists only and therefore, _____ was generally unaware of an employer's status in terms of contributions. She noted that she had already left the employ of FIRST BENEFIT ADMINISTRATORS at the time the questionable health claims were paid on behalf of _____ a previous employee of SALLY'S STEAK HOUSE. Therefore, _____ could not specifically comment on any aspect of handling of employees of SALLY'S STEAK HOUSE or employer contributions related to SALLY'S.

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_____ advised that _____ was always very conscientious concerning claim payments. At the time _____ held the position of _____ would always check with _____ first regarding payment of a questionable claim. In fact, occasionally the local would ask _____ if she could help out for an hour or so if _____ was not busy processing health claims at the time. On those occasions, _____ would always first check with her supervisor, _____. If approved, the Local would reimburse FIRST BENEFIT ADMINISTRATORS for _____ services. These services would generally be of a clerical nature.

_____ was shown copies of letters dated in May of 1985 from _____ detailing health and welfare employer contributions owed by SALLY'S STEAK HOUSE. According to the letters, _____ of Local 122, had requested these calculations for SALLY'S STEAK HOUSE and the reports reflected a total sum of money due from SALLY PAPIA as \$23,026.40. According to the letters, PAPIA was aware of this significant delinquency. As _____ was no longer working at FIRST BENEFIT ADMINISTRATORS, she had no knowledge of this matter. However, _____ did comment that a large employer delinquency such as SALLY'S STEAK HOUSE should have been discussed at the meetings of the Board of Trustees and in fact brought to the attention of Legal Council. Then, if the trustees were agreeable, a fee payment schedule could be worked out with the employer (SALLY'S STEAK HOUSE). This would allow eligible

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MI 183A-580

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Continuation of interview of _____

Page _____

employees of SALLY'S STEAK HOUSE to receive health benefits. _____ advised that this should be formalized in writing. In this way, FIRST BENEFIT ADMINISTRATORS would be guaranteed incoming employer contributions and _____ could pay claims for eligible employees of SALLY'S STEAK HOUSE.

_____ hypothesized that at the time _____ medical bills came into _____ office, _____ should have held them without issuing a benefit until the employer's (SALLY'S STEAK HOUSE) delinquency was resolved. _____ was shown a copy of a check made out to FIRST BENEFIT ADMINISTRATORS from SALLY PAPIA. The check was dated October 14, 1985 and was in the amount of \$189.36. This amount was noted on the check to represent health and welfare employer contributions for _____ for approximately six months. _____ affirmed that an employer is not free to contribute for only a specific employee. According to the collective bargaining agreement, the employer must contribute on behalf of all eligible employees of the collective bargaining unit in order for any one employee to collect a health benefit.

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_____ did not believe that _____ would pay medical claims under these circumstances unless her superiors had instructed her to go ahead and make the payments. If _____ had at least indicated to _____ that PAPIA would be making good on delinquent contributions and therefore the administrator could be guaranteed that PAPIA would be making payments, then _____ would probably be given authorization to pay _____ claims. _____ noted again that this guarantee should be in writing. _____ does not believe that _____ would pay health claims on _____ authorization alone even though they were in the same office. _____ based this on the fact that _____ was not _____ superior and therefore did not pay her salary.

_____ advised that it would be possible for _____ to make payments on _____ health bills if she had discussed it with _____. She noted that _____ may not have been familiar with information regarding employer contributions since she did not work with the employer reports. In addition, _____ was fairly new at the position of Administrative Assistant at FIRST BENEFIT ADMINISTRATORS and may also have believed that SALLY'S STEAK HOUSE was a contributing employer. _____ commented that perhaps neither _____ were fully cognizant of SALLY'S STEAK HOUSE delinquencies and, for whatever reason, believed they could go ahead and pay health claims for _____. _____ again stated that she was not knowledgeable about the circumstances surrounding this matter and would only be guessing as to the

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Continuation of interview of _____, Page _____

possible reason for payment of these claims. However, she did note that both [redacted] were diligent and conscientious employees and it is her opinion that neither of them would purposefully engage in wrongdoing.

Based on [redacted] expertise in fund administration, she rated FIRST BENEFIT ADMINISTRATORS as an average administrator. She advised that FIRST BENEFIT ADMINISTRATORS had inherited claims records from the previous fund administrator, Third Party Administrator, which were totally disorganized and very poorly kept. She recalled that it took months to straighten out the records and credited FIRST BENEFIT ADMINISTRATORS for doing a good job with that. She noted that generally the FIRST BENEFIT ADMINISTRATORS employees did their job and were adequately qualified.

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[redacted] recalled that the Milwaukee Hotel Industry fund was a more difficult fund to work with as the eligibility rules varied and it seemed that some employers had separate or slightly different contract agreements. However, it was her opinion that the fund still ran fairly smoothly and she could not recall any unusual problems.

[redacted] advised that she knows [redacted] and has spoken to him on occasion but is not personally familiar with him.

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 8/14/86

[redacted] Attorney, 250 East Wisconsin Avenue, Milwaukee, Wisconsin, telephone [redacted] after being advised of the identity of the interviewing agent, furnished the following information:

[redacted] holds the position of co-counsel to the Milwaukee HOTEL AND RESTAURANT INDUSTRY-Local 122, HEALTH AND WELFARE (H&W) TRUST FUND. In this capacity, he represents the interests of the employer trustees, the union trustees are represented by Attorney [redacted] of Milwaukee. However, both [redacted] work together closely and agree on most matters. [redacted] has held this position since May of 1979. He is also actively involved in the collective bargaining process between the union and employers. At this time, the H&W FUND is insolvent. [redacted] attributes this to the fact that the fund was self-insured for a period of time approximately the last of 1982-1985). Before this period, the fund was insured under a MUTUAL OF OMAHA policy. While under MUTUAL OF OMAHA (MO), the fund initially experienced a very lucrative profit. Apparently, the policy was modest and did not offer very good benefits. Their claim loss was low and the fund received a refund of over 12 months premiums. The trustees eventually opted to improve the member's benefits under the policy. Subsequently, MO incurred increasing claims with a higher loss ratio. In late 1982, MO requested a 15% rate increase for the Fund. At this point, they decided to go self-insured as the fund still had sufficient funds. Even with stop loss insurance, the funds were quickly depleted. At the present time, the trustees for the fund are attempting to work out a payment plan to the Milwaukee County Medical Complex for a large debt (\$125,000) incurred while self-funded. In addition, the trustees are working at a special insurance coverage for a small group in Racine, Wisconsin, who apparently were unable to be covered under the new insurance plan.

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In July of 1985, a new round of collective bargaining resulted in the fund picking up HMO insurance plan called PRIME CARE HEALTH PLAN (PCHP), 1233 North Mayfair Road, Milwaukee. According to [redacted] the trustees and members are satisfied with the plan and feel it offers good benefits. [redacted] noted; however, that none of the insurance plans at present or in the past have offered benefits for member's dependants. Due to the fund's financial situation, PRIME CARE has agreed to guarantee a premium rate

Investigation on 8/7/86 at Milwaukee, Wisconsin File # MI 156A-34 - 163
MI 183A-580

by SA [redacted] /cc

Date dictated 8/13/86

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Continuation of interview of [REDACTED]

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for the first 18 months. The following 18 months would also be guaranteed possibly at a higher rate. PRIME CARE'S insurance representative is FRANK B. HALL CONSULTING COMPANY for group insurance in the Milwaukee area. [REDACTED] who previously was [REDACTED] of the RED CARPET HOTEL and is now the [REDACTED] represents FRANK B. HALL CONSULTING COMPANY in Milwaukee. [REDACTED] is the PRIME CARE Representative located at 1233 North Mayfair Road, Milwaukee. At present, PRIME CARE is rumored to be in financial straits. The group has recently been acquired by another group. [REDACTED] was unable to recall the group's name, but remembered that HERITAGE was part of the name. This new firm will allow PRIME CARE to maintain its name in order to assure the local 122 trust fund account. In addition, due to the importance of this account, [REDACTED] of Local 122, has been asked to sit on PRIME CARE'S Board of Directors. [REDACTED] has assured the trustee's that he will exempt himself from all discussions or decisions involving the fund and the insurance plan as this would constitute a conflict of interest. [REDACTED] is very proud and excited about this new position.

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According to [REDACTED] the trustees have always taken an active role in all decisions which affect the fund. In the event of a tie between the union and employer trustees, a final decision would be determined by a neutral arbitrator and the trustees would abide by this decision.

At the present time, FBA INC., located on 1011 North Mayfair Road, Milwaukee, is administering the fund. However, the trustees are currently soliciting bids for a new fund administrator effective in September of this year. FBA INC. will be considered along with other companies at that time. [REDACTED] summarized the history of the fund administration as follows:

Approximately six years ago, during the period when PHIL VALLEY was business manager for the union, [REDACTED] held the position of the Fund Administrator. He operated out of the office of THIRD PARTY ADMINISTRATORS, Milwaukee. According to [REDACTED] of THIRD PARTY ADMINISTRATORS. [REDACTED] acquired this position because he was PHIL VALLEY'S man and had worked with [REDACTED] of Local 1444. [REDACTED] also noted that [REDACTED] maintained an important position at the Local 122. Due to this fact, [REDACTED] was always oriented to the union side of the operation. At this time, [REDACTED] was PHIL VALLEY'S [REDACTED] It was no secret that [REDACTED] could not stand VALLEY and was glad when he retired in 1983. [REDACTED] also disliked [REDACTED] as did all the trustees. True to his word, when [REDACTED] was appointed [REDACTED] of the Local, he and the trustees voted to get rid of [REDACTED] in August of 1984. [REDACTED] indicated that while

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Continuation of interview of [REDACTED]

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[REDACTED] was fund administrator, he was a bumbling incompetent. He was always looking for the big score, but was never bright enough to accomplish anything. As an example of his ineptitude, [REDACTED] allocated equal earnings to the members' accounts in the pension fund. As a result some members were overpaid, some underpaid. However, the resultant pension earnings never did reflect the proper monies for years worked. The trustees and auditors picked this up and admonished [REDACTED] about the inaccuracies. However, he could never get it straight. As a result, he owed the pension fund money and had even attempted to sue the Health and Welfare Fund. In regards to the routing operation of the fund, [REDACTED] kept sketchy minutes of the trustees' meetings. His level of reporting and accounting to the trustees' meetings. His level of reporting and accounting to the trustees was virtually non-existent. He never took any initiative and was inflexible to change. [REDACTED] provided little to no investment information or analysis to the trustees, and in general, he kept poor records. He was unfamiliar with the requirements of the ERISA laws. [REDACTED] had no reason to believe that [REDACTED] would have absconded with fund monies as he was too inept. [REDACTED] described [REDACTED] as a "low-price" shop and indicated that he was paid on a fee basis, which is normally a percent of the claims paid. [REDACTED] felt that if there were any paid claim form records from the period when [REDACTED] was fund administrator, they would probably be with THIRD PARTY ADMINISTRATORS or with [REDACTED] himself. However, [REDACTED] felt that since the insurance plan with MUTUAL OF OMAHA has been discontinued for four years, the records are most likely destroyed.

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Following THIRD PARTY ADMINISTRATORS, the trustees selected FIRST PARTY ADMINISTRATORS for the position of Fund Administrator. At that time, FIRST PARTY ADMINISTRATORS was owned by FIRST BANK OF MILWAUKEE (FBM), which the trustees felt would be a solid choice. However, FBM sold FIRST PARTY ADMINISTRATORS to [REDACTED]. They operated the company under the name FIRST BENEFIT ADMINISTRATORS, but were insolvent. Because of cash flow problems, in April of 1986, they sold out to a large Illinois company, which created a Wisconsin subsidiary mainly to handle the Milwaukee Hotel and Restaurant Trust Fund. To maintain continuity, they kept the name FIRST BENEFIT ADMINISTRATORS (FBA), and [REDACTED] the firm. All pending fund records should be kept at the FBA INC. office.

Concerning other aspects of Local 122, [REDACTED] advised that [REDACTED] has left and is now replaced by [REDACTED] who is a relative of [REDACTED] is in the position of [REDACTED]. [REDACTED] explained that there are three trustees representing the health and welfare fund for the employers, and three trustees for the union. One additional trustee for the union and employers is required to represent the pension fund. The trustees determine how the pension fund is invested. MUTUAL OF OMAHA currently

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Continuation of interview of [REDACTED]

, Page 4*

handles the fund. The trustees have invested these monies in long-term, fixed income investments which are conservative. [REDACTED] further advised that [REDACTED] in his role as [REDACTED] of the union, has done a good job and is a pleasure to work with. [REDACTED] described him as colorful and boastful, but basically a decent person. He is conscientious about his responsibilities, but is not ambitious enough to have political contacts or power. [REDACTED] has made a genuine effort to increase union membership. [REDACTED] advised that it is difficult to unionize a restaurant from outside. At least 30 percent of the restaurant employees have to want to be unionized. This then entitles them to a collective bargaining representative which may result in certain benefits. However, due to the temporary or part-time nature of the waitress or bartender's position and the limited salary, many employees are not interested in unionizing. The only restaurants in the Milwaukee area with union contracts at this time are MADERS, BOULEVARD INN, and KARL RAUTZ'S. The other major restaurants in the city are part of hotels, which have contracts representing all hotel employees to include house keepers, caretakers, and restaurant help. The hotels in Milwaukee account for 75% of the employers. [REDACTED] laughed about SALLY'S STEAK HOUSE, indicating that no one knows if SALLY'S is unionized or not. SALLY'S RESTAURANT is not considered part of the KNICKERBOCKER HOTEL where it is located.

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[REDACTED] did not feel that [REDACTED] had any significant organized crime connections even though he does frequent some of the more reputed east side establishments, and may be familiar with organized crime associates. [REDACTED] jokingly indicated that if he wanted to get in touch with the "mob" he would just as easily call them himself and that [REDACTED] would have no "pull" or connections in that regard.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/9/87

[redacted]
Milwaukee, Wisconsin, telephone [redacted] was interviewed at his place of employment. After being advised of the identity of the interviewing agent and the nature of the interview, he furnished the following information:

[redacted] holds the position of co-counsel to the Milwaukee Hotel and Restaurant Industry Local 122, Health and Welfare Trust Fund. In this capacity, he represents the interests of the employer trustees. The union trustees are represented by Attorney [redacted] of Milwaukee.

[redacted] stated that SALLY'S STEAK HOUSE in Milwaukee is not represented by the Hotel Association Master Contract Agreement. This is a standard contract and according to [redacted] has never included SALLY'S STEAK HOUSE. [redacted] was shown a copy of a 1982-1985 Hotel Agreement during this interview. This document had previously been obtained during a search warrant executed on the Local 122 union offices in Milwaukee on August 20, 1986. The agreement, dated September 24, 1982, signed by [redacted] representing the Greater Milwaukee Hotel-Motel Association; PHIL VALLEY; [redacted] and SALLY A. PAPIA signed this same agreement under the column headed Hotel, Motel, Restaurant Employees and Bartenders Union Local 122. [redacted] agreed that this was his signature but advised that he would not have signed this document with SALLY PAPIA's signature on it. [redacted] noted that PAPIA's signature obviously should not have been listed as PAPIA does not represent the union nor is she a participating member of the Hotel Association. (A copy of this document is attached for reference.)

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[redacted] subsequently provided his own copy of the 1982-1985 Hotel Agreement. This document does not list SALLY PAPIA's signature. [redacted] was unable to offer an explanation as to why PAPIA's signature was on the agreement obtained from the search warrant on the Local 122 union office. He recalled signing the agreement and then forwarding the document to the union office for the proper trustees' signatures. Therefore, [redacted] would not have been in a position to observe any further details regarding the signing of the agreement. (A copy of [redacted] hotel agreement is attached for reference in this matter.)

Even though SALLY'S STEAK HOUSE was not a member of the Hotel Association, [redacted] recalled [redacted] of Local 122, indicating that SALLY'S STEAK HOUSE was covered under a separate collective bargaining contract. [redacted] thought that the collective bargaining

Investigation on 6/8/87 at Milwaukee, Wisconsin File # MI 156A-34
MI 183A-580
by SA [redacted] dg Date dictated 6/8/87

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Continuation of interview of _____

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unit at SALLY'S STEAK HOUSE included the non-tipped employees, such as kitchen help. It was also his understanding that PAPIA contributed on behalf of her employees to one of the trust funds, but could not definitely recall if it was the pension or the Health and Welfare Fund. _____ has never actually seen the SALLY'S STEAK HOUSE contract.

_____ advised that the subject of SALLY'S STEAK HOUSE had never come up for discussion at any of the trustees meetings. He stated he was unaware of any delinquencies on the part of SALLY'S STEAK HOUSE and did not know if there had ever been a payroll audit conducted on SALLY'S STEAK HOUSE.

Regarding the actual collection of employer contributions and payment of health benefits to eligible members, _____ advised that the trustees were not in a position to be aware of the movement of claim payments and therefore could not really be held accountable for mistakes made in the payment of health claims. _____ advised that the responsibility for claim management would fall on the fund administrator, who is employed by a contract agreement with the trust fund. _____ advised that he had no knowledge of _____ a former employee of SALLY'S STEAK HOUSE, and indicated that her name had never been mentioned at any trustee meetings. _____ agreed that _____ would not have been eligible for health benefits if SALLY'S STEAK HOUSE did not make the proper Health and Welfare contributions. _____ noted it would not be considered acceptable for SALLY'S STEAK HOUSE to remit to the Health and Welfare Fund a single check to cover only _____ contributions in order to make _____ eligible for health benefits. _____ did indicate that if the fund administrator had authorized a payment to be made to an ineligible member such as _____ then the fund trustees would have an interest in any loss of monies to the fund.

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_____ placed responsibility for inaccuracies in accounting procedures and mismanagement of health claims on the fund administrator. Specifically he recalled that FIRST BENEFIT ADMINISTRATORS and later FBA, INC. were both incompetent administrators who did a poor job of reporting matters to the trustees. As soon as the trustees realized how incompetent the fund administrator was, a new administrative manager, FRANK B. HALL CONSULTING FIRM, was selected. _____ advised that FIRST BENEFIT ADMINISTRATORS had dissolved as a corporation and that their assets are not enough to make it worthwhile for the fund to institute legal proceedings against this previous administrator. At present, FRANK B. HALL has greatly improved administrative procedures and routinely reports delinquent employers to the trustees as necessary. However, this reporting was poorly accomplished during the previous fund administration.

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Continuation of interview of [REDACTED]

Page 3*

[REDACTED] advised that the trust fund has now contracted out with a new accounting firm, DONALD FREYBERG (phonetic).

[REDACTED] stated that at a trustees' meeting in April of this year, [REDACTED] law firm requested the current fund administrator, FRANK B. HALL, to perform an analysis report of BLUE CROSS/BLUE SHIELD's health insurance with the Milwaukee Hotel Industry Trust Fund's health insurance plan. [REDACTED] indicated that this was being done for comparison purposes in terms of SALLY'S STEAK HOUSE alternative health insurance plan. According to [REDACTED] the trustees initially felt that this constituted improper use of the administrative manager's time. However, it was determined that there would be no charge to the trust fund and consequently the analysis was approved.

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At the termination of the interview, [REDACTED] was served a copy of a Federal Grand Jury subpoena requiring his appearance before the Grand Jury [REDACTED]. At that time, [REDACTED] became visibly upset and immediately proceeded to telephone [REDACTED] Special Attorney in Chicago. During this conversation with [REDACTED] lambasted [REDACTED] in a very angry fashion. He continued this angry tirade regarding his required appearance before the Grand Jury for a considerable period of time. [REDACTED] concluded the telephone conversation by stating that he may or may not come to Grand Jury [REDACTED] and proceeded to hang up on [REDACTED]. At that time, [REDACTED] approached SA [REDACTED] who had remained standing in [REDACTED] office during the conversation, and demanded that she leave the office and never call him again.

1982- 1985 HOTEL AGREEMENT

THIS AGREEMENT made and entered into effective June 16, 1982, by and between the Employer, whose name is affixed hereto, hereinafter referred to as the "Employer", and HOTEL, MOTEL, RESTAURANT EMPLOYEES AND BARTENDERS' UNION, LOCAL 122, of the HOTEL & RESTAURANT EMPLOYEES INTERNATIONAL UNION, AFL-CIO, hereinafter called the "Union".

W I T N E S S E T H

WHEREAS, labor agreement and supplements thereto affecting hours, wages and working conditions have been executed from time to time by and between the parties for the period from June 16, 1938; and

WHEREAS, the parties have negotiated and agreed upon the terms and conditions for the current labor agreement;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto mutually agree as follows:

ARTICLE I

DURATION OF AGREEMENT

This Agreement shall be effective commencing on the 16th day of June, 1982, and shall continue for a period of three (3) years, ending on the 15th day of June, 1985.

ARTICLE II

UNION SECURITY, HIRING AND DISCHARGE

Section 1. The Union shall be the exclusive bargaining agent for all of the employees of the Employer who come within jurisdiction of the Union. It is expressly provided, however, that any group or classification of employees not covered under this Agreement or included within the bargaining unit represented by the Union as of June 1, 1982, shall not be added to the bargaining unit unless the Union is certified as bargaining representative for these employees by the National Labor Relations Board or recognized as such by the Employer in writing. This proviso shall prevail

Section 2. The Employer shall provide to the Union at least once a month the name and date of hire or termination of each employee hired or terminated within the previous month. The Employer shall also provide monthly a list of banquet extras who worked during the previous month which list may be a copy of the monthly report submitted to the pension fund.

Section 3. The entire Agreement between the parties as set forth herein, including the Appendices attached hereto, expresses all of the terms and conditions of employment which shall be applicable to the employees covered by this Agreement during the term thereof. Any agreement reached between the Employer and the Union is binding upon all employees affected and cannot be changed by any individual employee. No agreements other than written agreements shall be binding upon the parties. However, any subjects or matters not covered by this Agreement which were not known to or contemplated by either or both of the parties at the time this Agreement was ratified may be the subject of negotiation between the parties upon written notice by one to the other.

Section 4. The Association and the Union may jointly establish and conduct a program for recruiting and training banquet extras which may include training at various member facilities.

IN WITNESS WHEREOF, the said parties have hereunto set their hands and seals this 24 day of September, 1982.

THE GREATER MILWAUKEE HOTEL-
MOTEL ASSOCIATION

HOTEL, MOTEL, RESTAURANT
EMPLOYEES AND BARTENDERS'
UNION, LOCAL 122

By



By

By

By

By

Phil Valley

By



By

By

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1982- 1985 HOTEL AGREEMENT

THIS AGREEMENT made and entered into effective June 16, 1982, by and between the Employer, whose name is affixed hereto, hereinafter referred to as the "Employer", and HOTEL, MOTEL, RESTAURANT EMPLOYEES AND BARTENDERS' UNION, LOCAL 122, of the HOTEL & RESTAURANT EMPLOYEES INTERNATIONAL UNION, AFL-CIO, hereinafter called the "Union".

W I T N E S S E T H

WHEREAS, labor agreement and supplements thereto affecting hours, wages and working conditions have been executed from time to time by and between the parties for the period from June 16, 1938; and

WHEREAS, the parties have negotiated and agreed upon the terms and conditions for the current labor agreement;

NOW, THEREFORE, in consideration of the mutual covenants herein contained, the parties hereto mutually agree as follows:

ARTICLE I

DURATION OF AGREEMENT

This Agreement shall be effective commencing on the 16th day of June, 1982, and shall continue for a period of three (3) years, ending on the 15th day of June, 1985.

ARTICLE II

UNION SECURITY, HIRING AND DISCHARGE

Section 1. The Union shall be the exclusive bargaining agent for all of the employees of the Employer who come within jurisdiction of the Union. It is expressly provided, however, that any group or classification of employees not covered under this Agreement or included within the bargaining unit represented by the Union as of June 1, 1982, shall not be added to the bargaining unit unless the Union is certified as bargaining representative for these employees by the National Labor Relations Board or recognized as such by the Employer in writing. This proviso shall prevail

#23 Provided by []
[] from Area A
[] 8/20/86

b6
b7C

MK
8/20/86

Section 2. The Employer shall provide to the Union at least once a month the name and date of hire or termination of each employee hired or terminated within the previous month. The Employer shall also provide monthly a list of banquet extras who worked during the previous month which list may be a copy of the monthly report submitted to the pension fund.

Section 3. The entire Agreement between the parties as set forth herein, including the Appendices attached hereto, expresses all of the terms and conditions of employment which shall be applicable to the employees covered by this Agreement during the term thereof. Any agreement reached between the Employer and the Union is binding upon all employees affected and cannot be changed by any individual employee. No agreements other than written agreements shall be binding upon the parties. However, any subjects or matters not covered by this Agreement which were not known to or contemplated by either or both of the parties at the time this Agreement was ratified may be the subject of negotiation between the parties upon written notice by one to the other.

Section 4. The Association and the Union may jointly establish and conduct a program for recruiting and training banquet extras which may include training at various member facilities.

IN WITNESS WHEREOF, the said parties have hereunto set their hands and seals this 24 day of September, 1982.

THE GREATER MILWAUKEE HOTEL-
MOTEL ASSOCIATION

HOTEL, MOTEL, RESTAURANT
EMPLOYEES AND BARTENDERS'
UNION, LOCAL 122

By



By

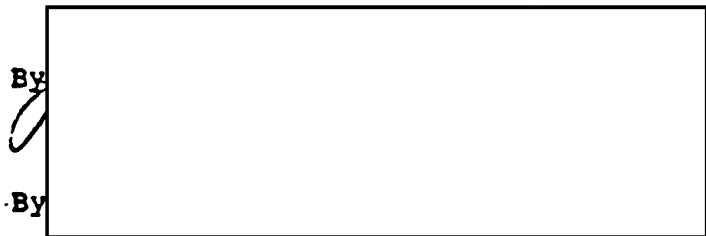
By

By

By

Phil Valley

By



By

Sally A. Lopez

b6
b7C

MILWAUKEE HOTEL INDUSTRY
HEALTH AND WELFARE FUND

(414) 546-8080
2448 S. 102 ST., SUITE 170
WEST ALLIS, WI 53227

May 21, 1985

Ms. Sally Papia
Sally's Steak House
1028 E. Juneau Ave.
Milwaukee, WI 53202

RE: CONTRIBUTIONS DUE THE MILWAUKEE HOTEL INDUSTRY HEALTH
AND WELFARE FUND FOR THE WORK MONTHS OF OCTOBER, 1984
THROUGH MAY, 1985

Dear Ms. Papia:

It has recently been brought to our attention by the Milwaukee Hotel and Restaurant Industry Local #122 that a 1982-1985 Hotel Agreement for the Milwaukee Hotel Industry Health and Welfare Fund was in effect as of September, 1982.

I have enclosed a copy of that agreement and if you refer to Article XI under the heading INSURANCE; Section 1 through 6, the obligation by you as the Employer is clearly outlined as to the contributions that would have been due to the Health and Welfare Fund on behalf of all eligible employees.

As the Plan Administrator, we are requesting that you make the required contribution due as calculated on the enclosed remittance report. We have back billed you from October, 1984 to May, 1985 per the directive of Local #122 and by right of the secured and signed Hotel Agreement.

The amount now due the Health and Welfare Fund for a total of \$2,904.96 must be received by our office no later than 15 days from the date of this letter. Failure to make this required contribution will result in the referral of this matter to Legal Counsel for collection.

Sincerely,



First Benefit Administrators, Inc.

Enc. Hotel Agreement; 1982-1985

cc:



Total under contract
June 1982 - April 1984
23,000.- +

At 1st bank date (5/30/85)

unsure if

will try to collect from
June 1982 to Sept. 1984.

Previous years based on 23 per;

per

6/17/85 - no additional information.

First Administrators Inc.
2448 S. 102nd St.
West Allis, WI 53227
Phone 414-546-8080

MILWAUKEE HOTEL INDUSTRY
HEALTH AND WELFARE

- Termination Code
1. Resigned & Date
 2. Leave of Absence &
 3. Health Reasons & C
 4. Discharged & Date
 5. Deceased & Date
 6. Retired & Date
 7. Laid off & Date
 8. Part Time & Date
 9. Return To Work & I

October, 1984 through

For the Month of.... MAY 1985

Company....801055 SALLYS STEAK HOUSE
1028 E JUNEAU AVE
MILWAUKEE WI 53202

Page :

Employee Name	Soc. Sec.	Welfare Amount	Pension Amount	Term Code
			10.00	b6
			10.00	b7C
			10.00	
			10.00	
			10.00	
			10.00	
			10.00	
			10.00	

October, 1984 through November, 1984; 8 employees x 2 mo. @\$31.56 = \$504.
December, 1984 through May, 1985; 8 employees x 6 mo. @\$50.00 = \$2,400.00

TOTAL DUE MILWAUKEE HOTEL INDUSTRY HEALTH AND WELFARE FUND FOR CONTRIBUTION
ON 8 ELIGIBLE EMPLOYEES FOR OCTOBER, 1984 THROUGH MAY, 1985 - \$2,904.96

less May 1985 8 x \$50 (400.00)
Due thru April 1985 2,504.96

Special Billing Salley's Steak House

b6
b7c

H/W Coverage for 1 employee for the
months of 10/84, 11/84, 12/84, 1/85, 5/85 3/85

Provisional
bill
NE
over
AIR

# 7951	6 x 31.56		
\$ 189.36			
10/31/85	(6)	Total	\$ 189.36
			6

AIR 4/30/85

250496

Received 10/31/85 For 1 person
Oct-Dec 1984 Mar-May 1985

189.36

Less May '85

(31.56)

Applied to AIR

(15780)

AIR at 4-30-85, still uncollected

234716

Write-off per discussion with [redacted]
FBA 6/18/86. Trustees are not going to
go after this money. Clint made ATE.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 1/9/87

[redacted] date of birth [redacted]
after being informed of the identity of the interviewing agent
and the nature of the interview, telephonically furnished the
following information:

[redacted]
[redacted] telephone
[redacted] was contacted at his place of employment,
[redacted] P.O. Box 99 [redacted]
[redacted] telephone [redacted] is employed
[redacted]

[redacted] advised that [redacted]
[redacted] AS [redacted] was employed [redacted]
[redacted] the ASTOR HOTEL, a unionized hotel, on Juneau Avenue
in Milwaukee from 1983-1985, he was an [redacted]
[redacted] noted that he was [redacted]
January of [redacted] to January of [redacted] when he resigned from this
position. In addition, [redacted] the Greater
Milwaukee Hotel Association and [redacted] for
the Milwaukee Inkeepers' Organization. At the time that [redacted]

[redacted] Therefore, [redacted] began
to ask a lot of questions in an attempt to more fully understand
the operation of the fund. [redacted]

[redacted] and, therefore, had greater know-
ledge of the fund's operation were [redacted]

[redacted] respectively.

[redacted] recollected that the [redacted]
[redacted] had not often questioned the previous fund administrator,
[redacted] of Third Party Administrators, and had just
assumed that everything was proceeding normally. However, when
[redacted] questioned
[redacted] concerning the operation of the fund, he responded
that everything was fine, but was unable to knowledgeably explain
what was going on. [redacted] was not paying the bills properly
and was generally incompetent. [redacted] became dissatisfied

Investigation on 1/7/87 at Milwaukee, Wisconsin

File #

MI 183A-580

MI 156A-34 237

by

SA [redacted]

meg

Date dictated

1/8/87

MI 156A-34

Continuation of interview of [REDACTED]

Page 2

with his administration of these monies. [REDACTED] had also made several errors with the management of the pension fund. [REDACTED] felt this was due to ineptitude and not any deliberate attempt to defraud the funds on [REDACTED] part. In addition to the poor recordkeeping and administration of the fund, some very large claims had to be paid out for medical benefits. During this period, the fund was self-insured and these large claims began to rapidly deplete the fund. The employer contributions had not appreciably increased for a long time, and therefore, the fund was expending more in claims payments than was coming in through the employer billings. Some employer contributions were in arrears or delinquent and the fund went into debt. Previous to the time, the fund had been very solvent. This was partly due to the fact that when the Hyatt Hotel opened in Milwaukee in 1980, the fund received windfall profits from this property. [REDACTED] explained that when a new hotel opens which is unionized, a large number of employees become union members and contributions come into the fund. The turnover is rapid and the fund builds up with new members' contributions, then, once the employees stabilize and become long term, they start incurring medical claims and the fund depletes. The subsequent period of self-insurance with no increase in contribution left the fund open to a long-term liability. After the trustees discovered [REDACTED] incompetence, along with the debt that the fund had incurred, the trustees obtained a new administrator named First Benefit Administrators of Milwaukee. [REDACTED] noted that this group appeared better qualified and the cost was reasonable. However, First Benefit did not handle the fund well either. During this period there were numerous trustees' meetings, sometimes as often as once a week. [REDACTED] advised that this was due to all the things that were happening with the fund. [REDACTED] recollected that the Milwaukee County Hospital was owed the largest amount of money from the fund, but that this payment had been worked out.

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[REDACTED] advised that he was professionally familiar with [REDACTED] for Local 122. [REDACTED] felt that [REDACTED] was always straightforward and he felt comfortable talking to [REDACTED]. He recalled that [REDACTED] had some difficulty collecting contributions from a few properties in Racine, Wisconsin and that [REDACTED] had recommended during one of the trustees' meetings that these properties would not be allowed to participate in the union's health fund. [REDACTED] could not recollect SALLY'S STEAK HOUSE in Milwaukee coming up at the trustees' meetings as being delinquent in contributions to the fund. [REDACTED] indicated that if SALLY'S STEAK HOUSE had owed \$23,000.00, he definitely would have remembered a discussion of this at the meetings. He thought that SALLY'S STEAK HOUSE may have had a different health plan and would not have been utilizing the union's health program, as he had no knowledge of this matter.

MI 156A-34

Continuation of interview of _____

, Page 3

_____ indicated that he had never heard of _____ at SALLY'S STEAK HOUSE, who received a substantial medical benefit through the union's health fund. _____ stated that to his knowledge _____ never brought _____ name up at any of the trustees' meetings. _____ advised that _____ should not have received benefits through the fund if her employer, SALLY'S STEAK HOUSE, had not made the proper contributions or was very delinquent in billings. If a special circumstance for payment was being considered, then the matter would have to be presented at the trustees' meetings for approval and recommendations. _____ stated that he was in attendance at almost all of the trustees' meetings and recalled missing only one or two meetings during this time period that he was on the board.

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_____ explained that he and _____ had signatory approval for some management expenses such as payments to providers for services. However, he could not recall authorizing any checks for payment of claims.

_____ stated that in order for a union member to collect health benefits, that member would have to meet certain criteria to include a waiting period. _____ recalled that normally a new employee of a unionized establishment would have 60 days to decide on joining the union. Routinely all employees of a unionized establishment should be enrolled in the union's health fund if the collective bargaining agreement for that establishment reflects this. Once the employee joins, the individual and the employer contribute to the fund. However, that individual is not eligible for a medical benefit until at least 90 days has passed. Back dating of dues for purposes of obtaining medical eligibility should not be done unless the individual opts to join the union within the first 60 days of employment and then the dues would need to be paid back to the initial date of employment. Otherwise, the individual becomes a union member when he signs up, but still must conform to the waiting period for medical benefits.

_____ advised that normally the unionized properties bargain as a unit, but they each have a separate collective bargaining agreement, which also defines eligibility requirements for benefits. This collective manner of bargaining is more advantageous and _____ noted that occasionally a few establishments would want to bargain separately which was more difficult.

At the termination of this interview _____ advised that he would be available for contact and interview if needed.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/3/86

[redacted]
Wisconsin, was interviewed at her place of employment, FBA, Incorporated, 1011 North Mayfair Road, Milwaukee, Wisconsin. After being informed of the identity of the interviewing agent and the nature of the interview, she voluntarily furnished the following information: .

[redacted] advised that she has been employed as an administrative assistant since November, 1983. [redacted] indicated that originally she was employed by First Administrators, which was connected to FIRST BANK of Milwaukee. Later, FIRST BANK sold First Administrators to First Benefit Administrators. In March, 1986, First Benefit Administrators sold their client base to FBA, Incorporated, a firm based in Illinois, which is run by [redacted]

[redacted] became involved with the actual administration of the Milwaukee Hotel Industry Health and Welfare Fund in May, 1985. Previous to this, she had been working with [redacted] at First Benefit Administrators who was later laid off from this job. At that time, [redacted] became responsible for the fund. She indicated that she occasionally worked with [redacted] who was responsible for determining eligibility for medical benefits from the Health and Welfare Fund. [redacted] worked out of the Local 122 union office. Normally [redacted] would have monthly eligibility reports at her office and she could refer to these in order to determine who could receive a medical benefit. If [redacted] had a question on a member's eligibility, she would telephone [redacted] would then need to check her records and make sure that the employer had made the proper contributions on behalf of an employee. The eligibility reports were produced monthly and this information was forwarded to a data processing service called [redacted] which would compile the information into a report form. When FBA, Incorporated took over in March, 1986, the FISERV service was no longer used.

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Investigation on 11/25/86 at Milwaukee, Wisconsin File # MI 183A-580
MI 156A-34 -217
by SA [redacted]/lmd Date dictated 11/28/86

MI 156A-34

Continuation of interview of [REDACTED]

, Page 2

According to [REDACTED] either she or [REDACTED] could have been contacted by [REDACTED] who questioned eligibility benefits for a [REDACTED] an employee of SALLY'S STEAK HOUSE in Milwaukee. [REDACTED] was unable to recall details of [REDACTED] eligibility status, but did advise that [REDACTED] should only have received a benefit if SALLY'S STEAK HOUSE had contributed on her behalf for that period of time when medical services were rendered. If SALLY'S STEAK HOUSE was delinquent in her payments, then the claims could not be paid until actual monies were received from SALLY'S. The subsequent receipt of these Health and Welfare contributions should have been recorded on green-colored recap sheets, which reflect checks received from employees.

During the time that [REDACTED] was learning the administration of the fund, she recalled being told that SALLY'S STEAK HOUSE was not part of the fund.

Regarding eligibility requirements, [REDACTED] indicated that the employer-union contract would contain eligibility requirements. Normally, this would include a minimum of six months at an employment before benefits would be forthcoming. [REDACTED] advised that if a very unusual circumstance arose regarding medical benefits, an appeal could be presented before an executive board meeting of the fund trustees. This would subsequently be recorded in the trustee's minutes of the meeting. [REDACTED] could not recall any particular problems with this fund.

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[REDACTED] noted that eligibility for medical benefits was determined by [REDACTED] at the Local 122 union office. [REDACTED] had the responsibility of entering the names of eligible members and amounts of money to be paid for health benefits into a computer. The computer would process the checks at the fund administrator's office. The checks would then be authorized by the appropriate fund administrator. A rubber signature stamp could be utilized. [REDACTED] thought that [REDACTED] would have been in the position to authorize payments to [REDACTED] in November, 1985. However, [REDACTED] would not be knowledgeable concerning a member's eligibility for payments due to the fact that [REDACTED] would have already checked out the proper eligibility records.

[REDACTED] was shown a copy of two forms, entitled "Total Applications as of 7/31/85", and "Total Defaults as of 7/31/85", the purpose of which was to clarify these records. These documents were obtained pursuant to a search warrant executed on the Local 122 Union on August 20, 1986. [REDACTED] recalled that these forms were utilized by Prime Care, the new insurance carrier for

MI 156A-34

Continuation of Interview of

, Page 3*

the fund in 1985. Total applications refer to the number of union members who decided to take Prime Care and the options which were offered. Total waivers reflect the number of individuals who did not choose Prime Care. The number of defaults possibly reflect the number of individuals who had not yet responded to the questionnaire on Prime Care. At that time, Prime Care had not received applications for the people listed as defaults. SALLY'S STEAK HOUSE reflects two defaulted with no applications and no waivers. The names of the two defaults at SALLY'S appear to be also mentioned that the Eagles Club was not involved in the Health and Welfare Fund in 1985 and only contributed to the Pension Fund for a small number of employees. A copy of these forms is as follows:

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TOTAL APPLICATIONS AS OF 7/31/85: 662

PROPERTY	TOTAL APPS	IS	IIS	IF	IIF
Astor Hotel	16	4	12	0	0
Belmont Hotel	6	2	4	0	0
Boulevard Inn	19	4	14	0	1
Hotel Wisconsin	7	5	2	0	0
Hyatt Regency Hotel	74	28	45	0	1
Knickerbocker Hotel	10	3	6	0	1
Local 122 Union Office	9	9	0	0	0
Maders German Rest.	35	19	14	2	0
Marc Plaza	104	29	73	1	1
Park East Hotel	37	20	17	0	0
Pfister Hotel	189	109	77	2	1
Karl Ratzsch's	43	16	25	2	0
Red Carpet	113	62	47	1	3

TOTALS	662	310	336	8	8
		46.8%	50.8%	1.2%	1.2%

TOTAL WAIVERS AS OF 7/31/85: 154

1st Cabinet 3rd Drawer

Cerec A 8/20/86

roy #21

Total of 1,348 Local 122 folks accounted for

662 apps	—	49.1%
154 waivers		11.4%
532 defaults		39.5%
		<u>100%</u>

[Signature]

[Signature] 8/24/86

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b7C

TOTAL DEFAULTS AS OF 7/31/85: 532

Alonzo Cudworth Post	17
ARA Food Services	3
Astor Hotel	2
Automatique-Welfare	2
Automatique Fd. Svc.	3
Automatique	58
Backstage Restaurant	14
Belmont Hotel	1
Boulevard Inn	3
B & S Cafeteria	37
Canteen Food & Vending	6
Eagles Club	2
Embers Steak House	12
Ethnic Enterprises	3
Hyatt Regency Hotel	106
Knickerbocker Hotel	1
Local 122 Union Office .	1
Maders German Restaurant	23
Marc Plaza Hotel	14
Miller Brewery Cafeteria	18
Mini Price Motor Inn	6
Ogden Food Service	27
Park East Hotel	22
Pfister Hotel	25
Professional Cul. Mgmt.	20
Karl Ratzsch's	25
Red Carpet Hotel	23
Sally's Steak House	2
Servomation	13
Servomation - Racine	21
Victory Lounge Hall	1
Wimpy's Tavern	5
Wisconsin Telephone Co.	14
Woods View Inn	2

RESULTS AS OF 8/20/85 FOR:
Sally's Steak House

NAME

SS #

--

from Area A
1st green
Cabinet
3rd drawer.

8/20/85
gib
#18

b6
b7C

DEFAULTS AS OF 7/31/85 FOR:
Eagles Club

NAME

SS #

--

b6
b7c

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/7/87

[redacted] at FBA, INC.,
 1011 North Mayfair Road, Milwaukee, Wisconsin, telephone [redacted]
 [redacted] was telephonically contacted. After being informed
 of the identity of the interviewing agent and nature of the
 interview, [redacted] voluntarily furnished the following information:

EVANS advised that she would have handled a check
 which was made out to FIRST BENEFIT ADMINISTRATORS on October 14,
 1985. The check is described as follows and a copy is attached
 for reference to this interview:

Check number	7951	
Made out to (payee)	First Benefit Administrators, Inc.	b6
Payer	SALLY A. PAPIA, SALLY'S STEAK HOUSE	b7C
Amount	\$189.36	
Date of check	October 14, 1985	
Notation on lower left hand corner written by SALLY PAPIA	[redacted] past due for Heath and Welfare before signing note: paid in full-	

[redacted] did not recall this particular check. Normally,
 she indicated that employer contribution checks would be received
 by the Administrator from the employer directly through the
 mail. Checks rarely came through the union office nor would
 an individual deliver a contribution check in person. Once
 the check is received, it would be attached to a deposit slip
 which would then be deposited in the Milwaukee Hotel Industry
 Health and Welfare checking account at FIRST BANK-MILWAUKEE.
 This one account was utilized to pay medical claims out of the
 contributions, which were received from employers on behalf
 of eligible union members. [redacted] most often deposited these
 checks to FIRST BANK OF MILWAUKEE by mail. If there was an
 unusual situation regarding the deposited check, [redacted] would
 try to make a notation on the deposit ticket.

[redacted] advised that it was the employer's responsibility

Investigation on 5/6/87 at Milwaukee, Wisconsin File # MI 156A-34-268

by SA [redacted] /dg Date dictated 5/7/87

MI 156A-34

Continuation of interview of [redacted]

, Page 2*

to make the appropriate contributions for an eligible member and the administrator would have no way of knowing details of a union member's status to collect benefits. In the [redacted] instance, [redacted] recalled that [redacted] an FBA employee at the Local 122 union office, had denied payment of claims which [redacted] had incurred. This hold up of claim payments resulted from SALLY PAPIA's [redacted] employer) failure to remit appropriate Health and Welfare contributions on behalf of [redacted]. However, once the back contributions were received by the administrator from the employer, then [redacted] medical bills were eligible for payment. [redacted] stated that it would be the employer's responsibility to determine a union member's eligibility from the contract regulations. (For instance, an employee should have worked at least six months at one establishment in order to become eligible for health insurance benefits.) In other words, if an employer paid back contributions indicating that the employee was eligible to collect benefits during the period when contributions were delinquent, then the bills could be paid and it would not be necessary to bring the payment of these claims before the Board of Trustees for consideration.

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It was [redacted] opinion that the only time a claim payment matter would need to be taken before the Board of Trustees for consideration would be if an individual had a break in service. In this instance, an employee, who had been an eligible participant in the union's health and welfare fund, might quit and opt not to continue health insurance coverage through the union. [redacted] noted that it is acceptable for an individual to continue insurance coverage if that person is willing to pay their own contributions instead of the employer. Later, if that individual incurred medical expenses and wanted to remit delinquent contributions in order to reestablish medical coverage, the individual could write a letter of appeal and make the back payments. This matter would be taken before the Board of Trustees in order to determine if payment of claims could be covered.

7951

SALLY'S STEAK HOUSE
 % KNICKERBOCKER ON THE LAKE
 1028 EAST JUNEAU
 MILWAUKEE, WI 53202

FD-1199 10
 750

Oct. 14 1985

PAY
 TO THE
 ORDER OF

First Benefit Administrator

\$ 189.36

One hundred and eighty-nine and ³⁶/₁₀₀

DOLLARS

SALLY'S STEAK HOUSE
 % KNICKERBOCKER ON THE LAKE

Heritage

MILWAUKEE
 WISCONSIN 53228

*Heath
 o. whiford*

[Redacted Box]

past due for

Sally A. Lapina

b6

b7C

⑆0000018936⑆

⑆075011998⑆ ⑆01117⑆ 181⑆

Before signing note - Paid in full -

NO 85 04

BY BRANBLE INSTITUTION

15

15

15

3533

Credited to account of
 1500 absence of
 1500 endorsement guaranteed

*1/30/87
 OK*

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/25/87

[redacted] at FBA, INC., 1011 North Mayfair Road, Milwaukee, Wisconsin, telephone [redacted] was interviewed at her place of employment. [redacted] advised that this interview was in regards to a deposit check received by First Benefit Administrators (FBA) from SALLY'S STEAK HOUSE in Milwaukee in October of 1985. During that time, [redacted] held the position of [redacted] for First Benefit Administrators (FBA). In this capacity, [redacted] handled the administration of Milwaukee Hotel Industry Health and Welfare Fund and pension fund for Local 122.

[redacted] was shown a copy of a check dated October 14, 1985, from [redacted] made out to FBA in the amount of \$189.36 with a notation on the lower left hand corner, [redacted] past due for Health and Welfare before signing note: paid in full." [redacted] initially noted that the check should have been made out to the Milwaukee Hotel Industry Health and Welfare Fund. Even though she did not recognize the check, she was able to recall the probable circumstances surrounding the deposit of this check. [redacted] advised that she could definitely verify that the check was received by the FBA's office as the stamp on the back of the check reflected this. [redacted] indicated that she would not expect a remittance slip to be attached to the check as it was for past due contributions, and remittance reports are normally attached to the routine monthly contribution checks received by FBA. [redacted] advised that the notation on the check would be necessary in order to determine what the check was actually for. [redacted] commented that the check was received through the mail and was subsequently deposited into the general account of FBA which was utilized for the employer contributions.

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It was [redacted] understanding that SALLY'S STEAK HOUSE in Milwaukee had a union-employer contract and was at least making contribution payments into the pension fund for eligible employees. [redacted] believed that SALLY [redacted] owner of SALLY'S STEAK HOUSE, had also made contribution payments into the Health and Welfare fund at one time, but that later on SALLY'S STEAK HOUSE had decided to offer an alternative insurance program to her employees. At the time [redacted] received the \$189.36 check, she was aware that SALLY'S STEAK HOUSE had not been participating in the Health and Welfare Fund.

[redacted] commented that she had taken over the Milwaukee Hotel Industry account in June of 1985. She explained that she had previous experience working with trust funds as she had been employed at FBA since October of 1983. However, this fund was different in that it was a self-insured program and she previously worked with funds which had insurance carriers. [redacted] advised that she had "inherited" this account from [redacted]

Investigation on 6/22/87 at Milwaukee, Wisconsin File # MI 156A-34 - 291
by SA [redacted] dg Date dictated 6/23/87

MI 156A-34

Continuation of interview of [REDACTED]

Page 2

At the time [REDACTED] received the check for \$189.36 from SALLY'S STEAK HOUSE (in October, 1985), she telephoned [REDACTED] who was [REDACTED] for FBA. [REDACTED] in Milwaukee. [REDACTED] contacted [REDACTED] in order to discuss the SALLY'S STEAK HOUSE check and determine the status of [REDACTED] (an employee of SALLY'S STEAK HOUSE) eligibility to collect medical benefits. [REDACTED] admitted that there was some confusion regarding SALLY'S STEAK HOUSE status as a member of the Milwaukee Hotel Industry Health and Welfare Fund. [REDACTED] was vaguely aware that [REDACTED] had written a letter to SALLY'S STEAK HOUSE which contained calculations on past due contributions to the Health and Welfare Fund owed by SALLY'S STEAK HOUSE. However, [REDACTED] had never actually seen the letter and was not fully cognizant of SALLY'S STEAK HOUSE delinquency problems. At the time [REDACTED] spoke to [REDACTED] regarding the receipt of the check, [REDACTED] indicated that she was holding on to several hospital bills for [REDACTED]. Apparently, [REDACTED] had spoken to [REDACTED] at the union office regarding the delay in payment of her medical bills. [REDACTED] advised [REDACTED] that the SALLY'S STEAK HOUSE check should be deposited and [REDACTED] could make payments on [REDACTED] medical bills. It was [REDACTED] understanding that SALLY PAPIA was going to make payments on past due Health and Welfare contributions and that this information had been given to [REDACTED] through someone at the Local 122 union's office, probably [REDACTED] of Local 122. Due to the fact that [REDACTED] was a dues paying member of the union and had worked for SALLY'S STEAK HOUSE at least six months, she would be eligible to receive medical benefits through the union. [REDACTED] was asked if this fund's eligibility rules for coverage was six months employment with a contributing employer. [REDACTED] responded affirmatively. [REDACTED] understanding was this payment was going to be a one shot payment, because PAPIA was switching to an alternative insurance program. [REDACTED] advised that [REDACTED] would also be covered later by another insurance plan, but at the time of her incurred medical expenses she had no other insurance but was a union member and therefore was entitled to be covered. Again, this would have to be done with the understanding that PAPIA would pay all past due contributions in order to make her account current. [REDACTED] assumed that the amount of the check, \$189.36, represented the appropriate months of contributions at the rate of \$31.56 per month that [REDACTED] needed to meet her eligibility requirements in order to receive medical benefits. [REDACTED] could not offer an explanation as to why the check was not calculated on the then current monthly rate of \$50.00 except to note that perhaps SALLY'S STEAK HOUSE contract did not have an escalation clause, which could permit an increase in amount of monthly contributions per person. (The 82-85 hotel agreement signed by PAPIA did contain the escalation clause).

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MI 156A-34

Continuation of interview of [REDACTED]

, Page 3

[REDACTED] agreed that an employer should pay total contributions for all employees covered by the collective bargaining agreement as outlined in the contract. [REDACTED] stated that the circumstance surrounding [REDACTED] acceptance of the October 14, 1985, SALLY'S STEAK HOUSE check was an isolated incident and that given the same set of circumstances today, she probably would not have deposited the check. [REDACTED] stated she was also not aware that a portion of [REDACTED] medical expenses were incurred prior to actual membership in Local 122. [REDACTED] indicated that this information would have caused her not to accept the \$189.36 worth of contributions. However, at the time [REDACTED] accepted the check, she speculated that [REDACTED] was a dues paying union member, working full time, and needed insurance coverage and was not covered by alternate insurance. [REDACTED] also believed from conversation with [REDACTED] that [REDACTED] was a new SALLY'S employee becoming eligible for insurance after her initial six months of full time work. [REDACTED] had no knowledge of the dollar amount of [REDACTED] actual bills and noted that [REDACTED] may have made a notation in [REDACTED] folder that a contribution was received from SALLY'S STEAK HOUSE for [REDACTED]. The data processing system would not have been set up for receiving SALLY'S STEAK HOUSE Health and Welfare contributions and the check amount would not have been entered until further contributions were received from PAPIA. Therefore, the eligibility reports would not reflect contributions from SALLY'S STEAK HOUSE. [REDACTED] recorded the \$189.36 amount only as an employer contribution and did not attribute it to SALLY'S STEAK HOUSE except for noting on the bank deposit slip that the check was from SALLY'S STEAK HOUSE. FBA's internal accounting records for employer contributions would balance with bank deposits. [REDACTED] advised that she was not aware of any other employees at SALLY'S STEAK HOUSE who would be in a similar situation as [REDACTED].

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[REDACTED] indicated that she may have discussed the check with [REDACTED] but did not speak to [REDACTED] concerning [REDACTED] check. [REDACTED] has spoken to [REDACTED] on occasion regarding other union matters. It was [REDACTED] understanding that the Board of Trustees for the Milwaukee Hotel Industry had discussed delinquency problems concerning SALLY'S STEAK HOUSE on various occasions. [REDACTED] did not believe that the matter of SALLY'S contribution or [REDACTED] claims payments were brought to the fund trustee's attention. [REDACTED] explained that the hotel fund was self-funded and paid its own claims rather than having an insurance company pay the claims as other funds she administered.

[REDACTED] indicated that [REDACTED] was in the position of reviewing claims reports at FBA at the time [REDACTED] paid [REDACTED] bills. [REDACTED] lives with her husband, [REDACTED] Wisconsin. To [REDACTED] knowledge, [REDACTED] has recently left a position at LEE YOST & ASSOCIATES in Milwaukee.

[REDACTED] advised that [REDACTED] needed to approve

MI 156A-34

Continuation of interview of [REDACTED]

, Page 4*

the payment of large medical claims by [REDACTED] after the fund went into insolvency. [REDACTED] had been negotiating with some area hospitals regarding payment of monies owed by the fund to the hospitals for specific claims. [REDACTED] indicated that this information should be contained in the minutes of the trustee's meetings. [REDACTED] was unsure as to whether the [REDACTED] claims payments were made during the time this payment approval was needed.

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Special Billing
Salley Steak House

H/W Coverage for 1 employee for the
months of 10/84, 11/84, 12/84, 1/85, 5/85, 3/85

7951
\$189.36
10/31/85

6 x 31.56

(6)

Total

\$189.36

6

AIR 4/30/85

250496

Received 10/31/85 For 1 person

Oct-Dec 1984, Mar-May 1985

18936

Less May '85

(3156)

Applied to AIR

(15780)

AIR at 4-30-85, still uncollected

234716

Write-off per discussion with [redacted]
FBA 6/18/86. Trustees are not going to
go after this money. Clint made ATE

MILWAUKEE HOTEL INDUSTRY
HEALTH AND WELFARE FUND

(414) 546-8080
2448 S. 102 ST., SUITE 170
WEST ALLIS, WI 53227

ES-20

May 21, 1985

Ms. Sally Papia
Sally's Steak House
1028 E. Juneau Ave.
Milwaukee, WI 53202

RE: CONTRIBUTIONS DUE THE MILWAUKEE HOTEL INDUSTRY HEALTH
AND WELFARE FUND FOR THE WORK MONTHS OF OCTOBER, 1984
THROUGH MAY, 1985

Dear Ms. Papia:

It has recently been brought to our attention by the Milwaukee Hotel and Restaurant Industry Local #122 that a 1982-1985 Hotel Agreement for the Milwaukee Hotel Industry Health and Welfare Fund was in effect as of September, 1982.

I have enclosed a copy of that agreement and if you refer to Article XI under the heading INSURANCE; Section 1 through 6, the obligation by you as the Employer is clearly outlined as to the contributions that would have been due to the Health and Welfare Fund on behalf of all eligible employees.

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b7c

As the Plan Administrator, we are requesting that you make the required contribution due as calculated on the enclosed remittance report. We have back billed you from October, 1984 to May, 1985 per the directive of Local #122 and by right of the secured and signed Hotel Agreement.

n-1 The amount now due the Health and Welfare Fund for a total of \$2,904.96 must be received by our office no later than 15 days from the date of this letter. Failure to make this required contribution will result in the referral of this matter to Legal Counsel for collection.

Sincerely

[Redacted Signature]

Administrative Assistant
First Benefit Administrators, Inc.

Enc. Hotel Agreement; 1982-1985

cc:

Attorney [Redacted]

158

Total under contract
June 1982 - April 1984
23,000. - +

at fieldwork date (5/30/85)

[Redacted] unsure if Union
will try to collect from
June 1982 to Sept 1984.

Previous years based on 23 per
per [Redacted] per 16

6/18/85 - no additional information.

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 10/22/86

[redacted] Milwaukee, Wisconsin, after being advised of the identity of the interviewing agent and the nature of the interview, voluntarily furnished the following information:

[redacted] presently is employed at the Wisconsin League of Financial Institutions, 312 East Wisconsin Avenue, Milwaukee, Wisconsin, as [redacted]

[redacted] advised that she was previously employed as an [redacted] for FIRST BENEFIT ADMINISTRATORS on 1011 Mayfair Road, Milwaukee. She began working for FIRST BENEFIT in [redacted] and was [redacted] During this period, she handled the administration of various health and welfare, pension and annuity funds or Taft Hartley funds. [redacted] recalled obtaining the administration of the Milwaukee Hotel Industry, Health and Welfare and Pension Trust funds in August 1984.

[redacted] advised that SALLY'S STEAK HOUSE was delinquent in health and welfare contribution payments to Local 122. [redacted] thought that she may have discovered this delinquency in the following manner: An employee of SALLY'S may have attempted to receive a medical benefit and was denied. [redacted] processed the medical claims at the union office, and she probably telephoned [redacted] in order to determine if this employee might be eligible to receive a medical benefit. Subsequently, [redacted] located the 1982-1985 employer-union contract between SALLY'S STEAK HOUSE and Local 122. According to the agreement, SALLY'S is required to contribute to the Health and Welfare fund on behalf of all eligible employees. The contract was signed by SALLY PAPIA on September 24, 1982. According to [redacted] employer contributions for the health and welfare fund were never received from SALLY'S. Therefore, employees of SALLY'S could not be eligible for medical benefits. Upon examination of the union's eligibility reports, [redacted] calculated back contributions owed to the Health and Welfare fund. This information was forwarded to SALLY PAPIA in letters, dated May 21, 1985, and May 31, 1985. These letters, which were obtained pursuant to a search warrant executed on Local 122 Union office, were exhibited to [redacted] and are as follows:

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-190

Investigation on 10/20/86 at Milwaukee, Wisconsin File # MI 156A-34(2 copies)
MI 183A-580(1 copy)
by SA [redacted] cc [redacted] Date dictated 10/21/86

HEALTH AND WELFARE FUND

(414) 546-8080
2448 S. 102 ST., SUITE 170
WEST ALLIS, WI 53227

May 21, 1985

Ms. Sally Papia
Sally's Steak House
1028 E. Juneau Ave.
Milwaukee, WI 53202

RE: CONTRIBUTIONS DUE THE MILWAUKEE HOTEL INDUSTRY HEALTH
AND WELFARE FUND FOR THE WORK MONTHS OF OCTOBER, 1984
THROUGH MAY, 1985

Dear Ms. Papia:

It has recently been brought to our attention by the Milwaukee Hotel and Restaurant Industry Local #122 that a 1982-1985 Hotel Agreement for the Milwaukee Hotel Industry Health and Welfare Fund was in effect as of September, 1982.

I have enclosed a copy of that agreement and if you refer to Article XI under the heading INSURANCE; Section 1 through 6, the obligation by you as the Employer is clearly outlined as to the contributions that would have been due to the Health and Welfare Fund on behalf of all eligible employees.

As the Plan Administrator, we are requesting that you make the required contribution due as calculated on the enclosed remittance report. We have back billed you from October, 1984 to May, 1985 per the directive of Local #122 and by right of the secured and signed Hotel Agreement.

b6
b7C

The amount now due the Health and Welfare Fund for a total of \$2,904.96 must be received by our office no later than 15 days from the date of this letter. Failure to make this required contribution will result in the referral of this matter to Legal Counsel for collection.

Sincerely,

[Redacted Signature]

First Benefit Administrators, Inc.

Enc. Hotel Agreement; 1982-1985

cc:

[Redacted Distribution List]

AK

HEALTH AND WELFARE FUND

(414) 546-8080

2448 S 102 ST., SUITE 170
WEST ALLIS, WI 53227

May 31, 1985

Ms. Sally Papia
Sally's Steak House
1028 E. Juneau Ave.
Milwaukee, WI 53202

RE: CONTRIBUTIONS DUE THE MILWAUKEE HOTEL INDUSTRY HEALTH
AND WELFARE FUND FOR THE WORK MONTHS OF JUNE, 1982
THROUGH JUNE, 1985

Dear Ms. Papia:

Please be advised that in accordance with the Milwaukee Hotel
and Restaurant Industry Local #122 Collective Bargaining
Agreement, as referred to in my letter dated May 21, 1985
(copy attached), you will be required to make the contributions
due on all employees covered under the Collective Bargaining
Agreement for the period of June, 1982 through June, 1985.

As the Plan Administrator, we are required to advise you of
your obligation for the contributions due as a signatory
employer.

Failure to make the required retroactive contributions to
the Health and Welfare Fund will result in the referral of
this matter to Legal Counsel for collection.

Sincerely,

[Redacted Signature]

First Benefit Administrators, Inc.

Enc. Letter dated 5/21/85

cc: [Redacted]

MK
8/7

183 - 8132 - 17

MI 183A-580

Continuation of interview of [REDACTED]

, Page 4

During this time period, [REDACTED] notified [REDACTED] of SALLY'S delinquent account. [REDACTED] then requested [REDACTED] to prepare a statement on the total amount of back contributions owed by SALLY'S STEAK HOUSE to the Health and Welfare Fund. This was accomplished in a letter to [REDACTED] dated May 29, 1985, which calculated a sum total of \$23,026.40 owed to the fund from the period of June 1982 through April 1985. This letter, which was obtained pursuant to a search warrant executed on Local 122 union office, was exhibited to [REDACTED] and is as follows:

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b7c

MILWAUKEE HOTEL INDUSTRY HEALTH AND WELFARE FUND

(414) 546-8080
2448 S. 102 ST., SUITE 170
WEST ALLIS, WI 53227

20

May 29, 1985

[Redacted]
Hotel & Rest. Local #122
231 W. Wisconsin Ave. #602
Milwaukee, WI 53203

RE: Retroactive Contributions to Milwaukee Hotel Health
and Welfare Fund on Behalf of Employees of Sally's
Steak House; June, 1982 through April, 1985

Dear [Redacted]

Per your request, I have calculated the contributions due the Health and Welfare Fund for the estimated number of employees currently employed with Sally's that should have had Health and Welfare contributions on their behalf for the months of June, 1982 through April, 1985. Those calculations are as follows:

<u>Work Month</u>	<u>No. of Employees</u>	<u>@\$31.56</u>	<u>Total Due</u>
June, 1982 Thru May, 1983	23 x 12 mo.	23 x \$31.56 =\$725.88	\$725.88 x 12 mo. = <u>\$8,710.56</u>
June, 1983 Thru May, 1984	23 x 12 mo.	23 x \$31.56 =\$725.88	\$725.88 x 12 mo. = <u>\$8,710.56</u>
June, 1984 Thru November, 1984	23 x 6 mo.	23 x \$31.56 =\$725.88	\$725.88 x 6 mo. = <u>\$4,355.28</u>
December, 1984 Thru April, 1985	23 x 5 mo.	23 x \$50.00 =\$250.00	\$250.00 x 5 mo. = <u>\$1,250.00</u>
		GRAND TOTAL DUE	<u>\$23,026.40</u>

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b7C

[Redacted]
First Benefit Administrators, Inc.

163

MK 19
8:10

MI 183A-580

Continuation of interview of [REDACTED]

, Page 6

According to [REDACTED] apparently confronted SALLY PAPIA about the delinquent contributions. Subsequently, [REDACTED] informed [REDACTED] that PAPIA denied ever signing a contract requiring her to pay health and welfare contributions, and therefore, did not owe the fund any money. [REDACTED] advised that to her knowledge, PAPIA did contribute to the pension fund for some employees. However, [REDACTED] does not recollect ever receiving any contributions for the Health and Welfare Fund, or any responses to her letters from SALLY PAPIA.

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[REDACTED] was shown a copy of a SALLY'S STEAK HOUSE eligibility statement for the month of May 1985, which was returned to Local 122 from SALLY'S STEAK HOUSE. The statement contains handwritten notations next to certain employees as follows: [REDACTED] - had through [REDACTED] [REDACTED] - husband has insurance; and [REDACTED] - just joined with [REDACTED] had no knowledge of what these notations meant. The statement, which was obtained pursuant to a search warrant executed on Local 122 union office, is as follows:

October, 1984 through

For the Month of.... MAY 1985

Company.... 801055 SALLYS STEAK HOUSE
1028 E JUNEAU AVE
MILWAUKEE WI 53202

- 5. Retired & Date
- 7. Laid off & Date
- 8. Part Time & Date
- 9. Return To Work & Date

Page : 1

all have Hospital Ins.

Employee Name	Soc. Sec.	Welfare Amount	Pension Amount	Term Code & Date
			10.00	
			10.00	
		- had this	10.00	
			10.00	
			10.00	b6
			10.00	b7C
		Husband has Ins.	10.00	
			10.00	
		just paid	10.00	

October, 1984 through November, 1984; 8 employees x 2 mo. @\$31.56 = \$504.96
December, 1984 through May, 1985; 8 employees x 6 mo. @\$50.00 = \$2,400.00

TOTAL DUE MILWAUKEE HOTEL INDUSTRY HEALTH AND WELFARE FUND FOR CONTRIBUTIONS
ON 8 ELIGIBLE EMPLOYEES FOR OCTOBER, 1984 THROUGH MAY, 1985 - \$2,904.96

THIS DOCUMENT WAS
RETURNED TO LOCAL 122
WITH ABOVE NOTATIONS

MF
8/22/1

MI 183A-580

Continuation of interview of [REDACTED]

Page 8*

[REDACTED] advised that medical claims were routinely processed by [REDACTED] at the union office. [REDACTED] referred to an eligibility list which was provided by [REDACTED] in order to determine medical benefits. The benefit checks would then be issued, and possibly rubber stamped with the signature of [REDACTED] owners of FIRST BENEFIT ADMINISTRATORS. [REDACTED] could not recall any other employees who were consistently delinquent in contributing to the Health and Welfare Fund.

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During the course of the interview, [REDACTED] arrived at [REDACTED] residence. At the conclusion of the interview, [REDACTED] served with a Federal Grand Jury subpoena requiring her appearance before the Grand Jury [REDACTED]. The document was explained to [REDACTED] and she indicated that she understood the requirements of the subpoena.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/12/87

[redacted] Milwaukee, Wisconsin, telephone [redacted] was telephonically contacted. After being advised of the identity of the interviewing agent and the nature of the interview, she voluntarily furnished the following information:

[redacted] is presently unemployed, but had previously been employed as [redacted] for FIRST BENEFIT ADMINISTRATORS, 1011 North Mayfair Road, Milwaukee, Wisconsin. [redacted] indicated that she was not employed at FIRST BENEFIT ADMINISTRATORS during the period of time that check number 7951, dated October 14, 1987, was received by FIRST BENEFIT ADMINISTRATORS. The check is described as follows and a copy is attached for reference to this interview:

Check Number	7951
Made out to (payee)	FIRST BENEFIT ADMINISTRATORS, INC.
Payer	SALLY PAPIA, SALLY'S STEAK HOUSE
Amount	\$189.36
Date of check	October 14, 1987
Notation on lower left hand corner written by SALLY PAPIA	[redacted] past due for Health and Welfare before signing note; paid in full.

b6
b7c

[redacted] FILAS, GAIL EVANS, Administrative Assistant at FBA, INC, 1011 North Mayfair Road, Milwaukee, Wisconsin, handled the Milwaukee Hotel Health and Welfare account during the period of time the above check would have been deposited into this account. This account was the normal checking account for the fund where contributions would be deposited and health claims would be paid out of this same account. The check would routinely be recorded in the deposit book, attached to a deposit slip and sent to the FIRST BANK OF MILWAUKEE to the appropriate account. In terms of [redacted] situation, [redacted] advised that in order for [redacted] to receive medical benefits, her employer, SALLY'S STEAK HOUSE in Milwaukee, should have been contributing on [redacted] behalf along with other eligible employees every month.

Investigation on 5/7/87 at Milwaukee, Wisconsin File # MI 183A-580
MI 156A-34 - 270

by SA [redacted] /dg Date dictated 5/11/87

MI 183A-580
MI 156A-34

Continuation of interview of _____

, Page 2*

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In order for [] to receive benefits, SALLY'S STEAK HOUSE (a delinquent employer) would have to remit the full []. According to the contract agreement, the employer contribution would include all eligible individuals. No contribution can be directed towards any one employee. It is therefore a matter of all or none. In other words, a check received from the employer, such as the above referenced check, would be applied towards the principle total amount owed by that employer and cannot be applied towards a single employee. No medical claims should be paid until the full contribution for all eligible employees is remitted by the employer. At that time, the Board of Trustees should be appraised of any developments concerning delinquent employers and future benefits on behalf of related employees. The fund administrator should not be in a position to make a decision on eligibility and all medical bills coming due are held up if an employer is delinquent or has some special consideration until the Board has a chance to consider all sides of the issue.

The Board of Trustees, consisting of half employer representatives and half union representatives, is more neutral and therefore is in a position to decide on payment of claims in unusual or special situations. According to the collective bargaining agreement or contract, the employer agrees to pay for everybody and consequently any deviation from this agreement should be brought before the board for consideration.

Routinely, an employer who might be delinquent in contributions a short period (approximately two months) and then remits the full amount due, a claim might be paid under these circumstances, but the situation should first be carefully considered.

SALLY'S STEAK HOUSE
% KNICKERBOCKER ON THE LAKE
1028 EAST JUNEAU
MILWAUKEE, WI 53202

7951

b6
b7C

PAY
TO THE
ORDER OF

First Benefit Administrator

\$189.36

One hundred and eighty-nine and 36/100

DOLLARS

SALLY'S STEAK HOUSE
% KNICKERBOCKER ON THE LAKE

Heritage
Bank

MILWAUKEE
WISCONSIN 53228

past due for

Sally A. Lapin

⑈0000018936⑈

075011998⑈ ⑈01117⑈ 181⑈

*Heath
o. Wilford*

Before signing note - paid in full -

AD 85 041

BY BRANDE INSTITUTION

507-1-5

PAY TO THE ORDER OF
BRANDE INSTITUTION

5553
5553
815

Credited to account of
employee absence of
Undersement guaranteed

*1/30/87
OK*

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/17/87

[redacted]
[redacted] in the accounting firm of RITZ, HOLMAN, BUTALA, and FINE, Milwaukee was interviewed at his office by Special Agent (SA) [redacted] Department of Labor, Office of Labor Racketeering, and SA [redacted] After being advised of the identity of the interviewing agents and purpose of the interview, [redacted] voluntarily provided the following information:

[redacted]
[redacted] The firm prepared financial statements for the Health and Welfare Fund and the Pension Fund. Their firm had the Trust Funds Account from the mid 1970's through the April, 1986 financial report for the Health and Welfare Fund and through the December, 1985 Financial Report for the Pension Fund. [redacted] stated the Health and Welfare Fund was on an April 30th fiscal year while the Pension Fund was on a calendar fiscal year. [redacted] recalled that their firm got the Fund Account through Attorney [redacted] [redacted] reviewed the accounting field work done by other associate CPA's who conducted the field audit.

Their firm was technically employed by the Milwaukee Hotel Industry Fund Trustees, but they worked primarily with the Fund Administrator. For many years, their firm worked with [redacted] and later worked with [redacted] of FIRST BENEFIT ADMINISTRATORS when they became the Milwaukee Hotel Industry Trust Funds Administrator.

Regarding the April 30, 1985 Health and Welfare Fund Report, [redacted] made the following statements. [redacted] reviewed a copy of this statement). Field work for this statement would have begun in mid May, 1985 with the final date for performing the audit being June 19, 1985 as indicated in the statement (Page 7).

[redacted] employee of their firm, performed the field work. [redacted] indicated that 1985 was the first year that the Health and Welfare Fund was in a deficit position. [redacted] explained that if the Health and Welfare Fund had to pay the full amount of all claims outstanding, it would have a negative net worth. [redacted]

MI 156A-34

Investigation on 7/8/87 at Milwaukee, Wisconsin File # MI 183A-580 -864by SA [redacted] *fls*Date dictated 7/10/87

MI 183A-580

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Continuation of interview of _____

Page _____

indicated that at the time the fund was negotiating with its creditors regarding payment of some very large medical claims. Neither _____ nor their firm participated in these negotiations. _____ recalled that the Health and Welfare Fund, prior to 1985, had gone self-insured and terminated their stop/loss insurance and subsequently incurred several large medical claims.

_____ was questioned as to why SALLY'S STEAK HOUSE was listed as owing \$2,505.00 on the "Schedule of Accounts Receivable - Employer Contributions" in the April 30, 1985 Financial Statement for the Health and Welfare Fund. _____ reviewed the accounting work papers for the April 30, 1985 statement. _____ explained and showed the interviewing agents that the basis for the SALLY'S STEAK HOUSE receivable of \$2,505.00 was a letter, dated May 21, 1985 from _____ for FIRST BENEFIT ADMINISTRATORS, to SALLY PAPIA. This letter, with an attached remittance report, indicated that SALLY'S owed the Health and Welfare Fund \$2,904.96 for the period October, 1984 through May, 1985. A copy of this letter and remittance report was attached to the work papers and contained handwritten notations which _____ stated were made by _____ provided a copy of the letter and attachment and they are attached to this report). _____ explained that the \$2,904.96 became \$2,505.00 because the amount owed as stated in the letter, \$2,904.96, covered the period through May, 1985 while the financial statement covered the period only until April 30, 1985. _____ stated the handwritten notations on the remittance report indicate that \$400.00 was deducted from the \$2,904.96 because it was owed for May, 1985 and thus the amount became \$2,504.96 and was rounded to \$2,505.00 for the financial statement.

_____ stated that one of the first steps in doing the funds audit was to send out confirmation letters to contributing employers and to banks where the fund had deposits. These confirmations required a response from the employer, and the accountant doing the fieldwork should follow up on confirmations not returned. There were alternate approved audit procedures for confirming this information when the employer continued to not respond to the confirmations. _____ reviewed the April 30, 1985 work papers and stated that apparently no confirmation was sent to SALLY'S STEAK HOUSE because there was no record of Health and Welfare payments received from SALLY'S for that year (May 1, 1984 to April 30, 1985). _____ stated that according to the accounting work papers, the \$2,505.00 was never paid by SALLY'S. _____ stated that the accounting work papers would reflect the employer contributions made following April 30, 1985 to the end of the accounting work period (June 19, 1985). For example, the

MI 183A-580

3

Continuation of interview of _____

Page _____

\$3,000.00 listed in the April, 1985 statement as a receivable for the fund from the Park East Hotel was not paid while the \$7,100.00 owed by the Red Carpet Hotel was paid on May 2, 1985.

_____ reviewed the firm's accounting work papers for the April 30, 1984 Health and Welfare Fund audit (May 1, 1983 to April 30, 1984). SALLY'S STEAK HOUSE was not listed as an employer to receive a confirmation letter for this audit. _____ stated that according to the 1984 audit records, there was no indication that SALLY'S was a covered employer or made any Health and Welfare contributions. (While _____ was reviewing the above records, _____ in the accounting firm, entered and was advised of the purpose of the interview).

_____ suggested to _____ that he review the April 30, 1986 Health and Welfare Audit in order to determine whether there was any resolutions of the 1985 Audit SALLY'S \$2,505.00 receivable. _____ reviewed the firm's accounting work papers for the April 30, 1986 Health and Welfare Fund Audit. SALLY'S STEAK HOUSE did not appear on the list of receivables the Administrator sent to their accounting firm. _____ stated that the recap/detail of cash received showed that \$189.36 was received from SALLY'S STEAK HOUSE in November, 1985. \$31.56 of the \$189.36 was related to the May, 1985 and 1986 Audit Report (May 1, 1985 - April 30, 1986) with the remainder applying to the 1985 audit report. These figures were supported by handwritten notations on an accounting sheet titled, "Special Billing Sally's Steak House". _____ provided a copy of this document and it is attached). The accounting sheet contained the following information:

"Health and Welfare for one employee for the months 10/84, 11/84, 12/84, 4/85, 5/85, 3/85".

"\$189.36 received 10/31/85 for one person Oct.- Dec. 1984, March - May 1985".

"At 4/30/85 still uncollected \$2,347.16".

_____ stated that at the bottom of this accounting sheet the notation "client made AJE" meant that the Fund Administrator had reduced their receivable from SALLY'S STEAK HOUSE from \$2,505.00 to \$189.36 which the fund received in November, 1985. _____ never discussed SALLY'S STEAK HOUSE with anyone.

_____ did not routinely attend Milwaukee Hotel Industry Trust Fund Trustee meetings; however, he did attend some Trustee meetings when the Health and Welfare Fund began having financial trouble. _____ knew _____ from these meetings. _____

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Continuation of interview of _____, Page _____

indicated that 1985 was the first year the Health and Welfare Fund had a deficit. [] recalled that their firm began doing some interim reports for the trustees after the deficit was identified. The Financial Reports were sent to the Fund Administrator with copies for all Trustees.

[] knew of no irregularities involving the funds. [] stated that he never paid any fees or commissions in connection with obtaining or maintaining the funds account. [] felt their firm lost this account primarily because the fund got into financial difficulty and wanted to change several aspects of their operations.

[] provided the married name, [] for [] and stated that she was presently employed by the ROBERT LEACK ACCOUNTING FIRM located at 207 East Michigan, Milwaukee, Wisconsin.

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First Administrators Inc.
2448 S. 102nd St.
West Allis, WI 53227
Phone 414-546-8080

MILWAUKEE HOTEL INDUSTRY
HEALTH AND WELFARE

- Termination Codes
1. Resigned & Date
 2. Leave of Absence & Date
 3. Health Reasons & Date
 4. Discharged & Date
 5. Deceased & Date
 6. Retired & Date
 7. Laid off & Date
 8. Part Time & Date
 9. Return To Work & Date

October, 1984 through

For the Month of.... MAY 1985

Company....801055 SALLYS STEAK HOUSE
1028 E JUNEAU AVE
MILWAUKEE WI 53202

Page :

Employee Name	Soc. Sec.	Welfare Amount	Pension Amount	Term Code &
			10.00	
			10.00	
			10.00	
			10.00	
			10.00	
			10.00	
			10.00	
			10.00	
			10.00	

October, 1984 through November, 1984; 8 employees x 2 mo. @\$31.56 = \$504.96
December, 1984 through May, 1985; 8 employees x 6 mo. @\$50.00 = \$2,400.00

TOTAL DUE MILWAUKEE HOTEL INDUSTRY HEALTH AND WELFARE FUND FOR CONTRIBUTION
ON 8 ELIGIBLE EMPLOYEES FOR OCTOBER, 1984 THROUGH MAY, 1985 - \$2,904.96

Less May 1985 8 x \$50 (400.00)
Due Thru April 1985 2,504.96

Special Billing
Julius Stein House

H/W Coverage for 1 employee for the
months of 10/84, 11/84, 12/84, 1/85, 5/85, 3/85

7951

6 x 31.56

\$ 189.36

10/31/85

(6)

Total

\$ 189.36

6

AIR 4/30/85

250.496

Received 10/31/85 For 1 person

Oct-Dec 1984, Mar-May 1985

189.36

Less May '85

(31.56)

Applied to AIR

(157.80)

AIR at 4-30-85, still uncollected

234.716

Write-off per discussion with [redacted]

FBA 6/18/86. Trustees are not going to
go after this money. Clint made ATE.

FEDERAL BUREAU OF INVESTIGATION

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b7CDate of transcription 6/5/87

[redacted] Attorney at Law, was interviewed at the law offices of Goldberg, Previant, Velman, Gratz, Miller & Brueggman, S.C. located at 778 North Jefferson, Milwaukee, Wisconsin. [redacted] was advised of the identity of the interviewing agent. [redacted] was advised that the purpose of the interview was to obtain information about the operations of the Milwaukee Hotel Industry Trust Funds and the funds' relationship with SALLY'S STEAK HOUSE. [redacted] stated that he had not consulted with other attorneys in his office or his clients, but that he would at least listen to the questions. Special Agent (SA) [redacted] acknowledged that [redacted] might be unable or want to answer certain questions. Subsequently, [redacted] voluntarily provided the following information:

[redacted] the Milwaukee Hotel Industry Trust and he has been the Milwaukee Hotel Industry Funds' (trust funds) attorney since their inception. [redacted] estimated he attended nine of ten trustee meetings for this trust. The [redacted] firm also represented the Hotel, Motel, Restaurant Employees and Bartenders Local 122. X
dm

[redacted] was asked whether the fund used employer participation agreements for employers participating in the trust funds. [redacted] responded by stating that generally they preferred that the employer make contributions in connection with a written agreement, which specified, among other issues, acceptance of the trust and the basis for which the money was contributed. [redacted] indicated that at one time the fund may have used some type of participation agreement. [redacted] was shown a copy of the 1982-1985 Hotel Agreement, Article XI, "Insurance", and Article XIII, "Pension Plan" (copies attached). [redacted] recalled, upon reviewing the language in these sections, that in these sections the employer, upon signing this agreement, was accepting the trust and the basis for employer contributions. [redacted] stated that these were in his opinion the two most critical elements of any trust. [redacted] stated that such a hotel agreement, if signed by an employer, would indicate the employer was a participant in the trust; however, [redacted] was then asked if the last sentence in Section 1 of Article XI, "The selection of insurance carrier(s) shall be made by the trustees (or by the individual employer in the case of

Investigation on 6/2/87 at Milwaukee, Wisconsin File # MI 156A-34 - 280
by SA [redacted] /dg Date dictated 6/2/87
MI 183A-580

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency; it and its contents are not to be distributed outside your agency.

Handwritten signature

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Continuation of interview of [REDACTED]

Page 2

employers not participating in the trust).", left unanswered whether an employer who signed such an agreement was participating in the Milwaukee Hotel Industry Health and Welfare Trust Fund. [REDACTED] stated that this language in the agreement or contract left open the question as to whether the employer should be contributing to the Health and Welfare Trust Fund. [REDACTED] was asked then what did determine whether an employer participated in the Health and Welfare Trust Fund. [REDACTED] responded by stating that the employers actual past contribution practice, as identified by the Union (Local 122) would determine which employers should be making contributions. [REDACTED] continued by indicating that the employer could choose one of the two tracks; the Health and Welfare Trust Fund or alternative insurance. If the employer did not make contributions to the trust, the employers should be providing alternative insurance and if the employer fails to do this then the employer would be liable to his employees. It was up to the Union to enforce the contract, not the trustees.

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The funds do have a trust instrument. Minutes of trustee meetings are maintained and while [REDACTED] has copies of some of the minutes, an official set would be kept by the administrator. Actions taken in the trustee meetings, as reflected in the minutes, were generally binding on the trustees.

[REDACTED] was asked if SALLY'S STEAK HOUSE was unionized. [REDACTED] stated that he had limited knowledge about which employers were unionized. However, based on the fact that he recalled a meeting, possibly in 1975 or 1976, with SALLY PAPIA and her attorney, [REDACTED] he believed that SALLY'S had a contract with Local 122. This meeting was a "collection effort"; however, [REDACTED] could not recall whether the collection pertained to trust contributions or even unpaid wages. It was [REDACTED] recollection that a resolution was reached and that the money owed was collected.

[REDACTED] did not know whether or not SALLY'S STEAK HOUSE ever participated in the funds, but indicated that it was possible.

[REDACTED] did not recall whether a payroll audit was ever conducted at SALLY'S. [REDACTED] was asked if he could recall ever assisting the fund administrator in 1983 in arranging with SALLY PAPIA an audit of her payroll. [REDACTED] responded

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Continuation of interview of [REDACTED]

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that it was possible, but that he would not do the audit and could not recall one way or the other. [REDACTED] recalled that there were two separate collection efforts regarding SALLY'S and "fringe benefit enforcing" that his firm did. He thought one was in 1975 or 1976 and the second one was at a later time.

[REDACTED] was shown copies of two Milwaukee Hotel Industry Health and Welfare Fund documents, dated May 21, 1985, and May 29, 1985 (copies attached). The May 21, 1985 document was a letter to SALLY PAPIA, from [REDACTED]

[REDACTED] First Benefit Administration, regarding \$2,904.96 in back contributions PAPIA owes to the fund. Copies are indicated to [REDACTED]. The May 29, 1985 document is a memo to [REDACTED] indicating that at [REDACTED] request she had calculated contributions due the Health and Welfare Fund for employees at SALLY'S for the months of June, 1982 through April, 1985. [REDACTED] did not recall either of these letters coming to his attention, but may have seen these letters in regard to his representation of [REDACTED] at the Grand Jury. [REDACTED] stated he did not even know whether these letters were properly prepared and the letters did not mean much to him, because it was the administrator sending the letters to the employer.

[REDACTED] indicated that if these demands were made by the Union it would mean something to him. For example, the employer might have alternative insurance and would not owe any back contributions. It was up to [REDACTED] to decide whether SALLY'S had a contract, had other coverage or should be contributing to the trust. [REDACTED] did not know whether a third collection effort related to SALLY'S resulted from these [REDACTED] letters. Collection activity within [REDACTED] firm was handled by attorneys in the Collections Division. [REDACTED] provided the name [REDACTED] as an attorney who had previously been employed in the Collections Division.

[REDACTED] was asked if the firm had been involved in other legal action concerning collection of unpaid contributions from employers on behalf of the Milwaukee Hotel Industry Trust Funds. [REDACTED] stated that he guesses the firm had been, although arbitration could also be utilized in those matters.

[REDACTED] was questioned as to whether he had discussions with [REDACTED] or any other trustees regarding Milwaukee Hotel Industry Health and Welfare Fund payments of \$3,200 in medical expenses for SALLY'S [REDACTED]

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MI 156A-34

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Continuation of interview of _____

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_____ did not remember discussing this matter with anyone and doubted that he would have participated in any such discussion. However, _____ advised that Attorney _____ was also counsel for the fund and that he _____ was occasionally absent from the trustee meetings.

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_____ indicated that he wished to terminate the interview due to his need to prepare for subsequent meetings. _____ was served with a copy of a Federal Grand Jury subpoena requiring his appearance before the Grand Jury. _____ stated that he was not able to appear at this time and was advised to contact Special Attorney _____ regarding an alternate date or time.

Upon being served with the Grand Jury subpoena, _____ became very agitated, stating that he had always cooperated with the government in the past and that it was outrageous for the government to treat him in this way. _____ at this time walked out of his office.

Section 2. Every employee shall receive one (1) week's vacation with pay after one (1) year of continuous service with his or her Employer, and two (2) weeks of vacation with pay each year after two (2) years of continuous service with his or her Employer.

Section 3. Employees shall receive a third week of vacation with pay each year after twelve (12) years of continuous service with his or her Employer, and employees shall receive a fourth week of vacation with pay each year after twenty (20) years of continuous service with his or her Employer, said third and fourth week of vacation to be taken at a time agreeable to the Employer.

Section 4. There shall be added to each employee's first vacation three (3) hours and twenty (20) minutes of pay for each month of service with his or her Employer more than one (1) year prior to the taking of the vacation.

Section 5. In computing vacation benefits, vacation pay shall be calculated at two percent (2%) of the previous years' earnings (excluding any gratuities) for each week's vacation due.

If employment is terminated before an employee has received his or her vacation, then he or she shall receive prorated pay in lieu of the vacation.

The vacation provisions shall apply to banquet servers classified as number servers.

ARTICLE XI

INSURANCE

Section 1. By the execution of this Agreement, the Employer authorizes the Greater Milwaukee Hotel-Motel Association to continue in effect appropriate trust agreements for the administration of the Milwaukee Hotel Industry Health & Welfare Trust Fund and to designate Employer trustees under such agreements, hereby waiving all notice thereof and ratifying all actions to be taken by such trustees within the scope of their authority. The selection of insurance carrier(s) shall be made by the trustees (or by the individual Employer in the case of Employers not participating in the Trust).

Section 2. Health and Welfare Benefits shall be maintained at the benefit levels in effect on June 15, 1982,

except as modified by the Trustees under Section 6 of this Article.

Section 3. The Employer agrees to contribute to the account of the Trustees of Milwaukee Hotel Industry Health & Welfare Trust Fund at the Bank of Commerce, Milwaukee, Wisconsin, the sum of Thirty-one and 56/100 Dollars (\$31.56) per month for each employee covered by this Agreement who meets the following eligibility requirements:

1. Six (6) months of service with any Employer in the hotel and restaurant industry in Milwaukee County. After an employee has once served six (6) months with any such Employer, he shall thereafter be eligible to have contributions made to the Fund on his behalf by his current Employer in accordance with the eligibility rules of the Fund.

2. Employment regularly three (3) or more days a week with an employer is a party to this Agreement.

Section 4. The Employer shall continue to make the above contributions of Thirty-one and 56/100 Dollars (\$31.56) per month for sick employees for a period of one (1) year from the time the employee becomes disabled by said sickness, provided such employee furnishes satisfactory evidence of such disability.

Section 5. Further, Employer contributions shall be increased as may be necessary to maintain insurance benefits at the levels prescribed herein and Trust reserves equal to three (3) months' insurance premiums.

Section 6. The Trustees may modify benefits provided that the total cost of benefits to the Trust Fund measured in insurance premiums shall not exceed

First year of contract - \$51.00/employee per month
Second year of contract - \$53.00/employee per month
Third year of contract - \$55.00/employee per month

The order of priority for any benefit improvements shall be (1) major medical and (2) reduction in employee co-pay requirement for in-hospital expenses.

ARTICLE XII

HOLIDAY PAY

Employees working regularly three (3) or more days per week and who have completed sixty (60) days of employment in

order to be eligible for holiday pay, shall receive holiday pay equal to their regular daily pay for Christmas Day, New Year's Day, Fourth of July, Labor Day, Thanksgiving Day and Memorial Day. Provided, however, that in order to be eligible for the foregoing holiday pay benefit, the employee must work both his or her last scheduled workday before the holiday and next scheduled workday after the holiday, except where the employee is absent due to proven illness or for some other reason approved by the Employer. Employees required to work on said holidays shall receive straight time pay for time worked in addition to holiday pay.

This provision shall also apply to banquet servers classified as number servers.

People working less than three full days per week shall receive time and one half their regular rate of pay for services rendered on Christmas Day, New Year's Day, Fourth of July, Labor Day, Thanksgiving Day and Memorial Day.

ARTICLE XIII

PENSION PLAN

Section 1. The Employer shall contribute to the Hotel & Restaurant Industry Pension Trust Fund, Eight and 00/100 Dollars (\$8.00) per month for any employee covered by the collective bargaining agreement, other than banquet servers, effective the first day of the month six (6) months after the employee commences employment.

Section 2. Effective June 1, 1983, the Employer shall contribute to the Hotel & Restaurant Industry Pension Trust Fund Nine and 00/100 Dollars (\$9.00) per month for any employee covered by the collective bargaining agreement, other than banquet servers, effective the first day of the month six months after the employee commences employment.

Section 3. Effective June 1, 1984, the Employer shall contribute to the Hotel & Restaurant Industry Pension Trust Fund Ten and 00/100 Dollars (\$10.00) per month for any employee covered by the collective bargaining agreement, other than banquet servers, effective the first day of the month six (6) months after the employee commences employment.

Section 4. If a Covered Employee (an employee for whom the Employer has been making contributions to the Fund) leaves the employment of a participating Employer and returns thereafter to the same participating Employer, contributions on

his behalf will commence immediately. If an employee is so re-employed between the 1st and the 15th of the calendar month, the Employer will pay the pension contribution for such month. If such employee is re-employed after the 15th of the month, the Employer will not be charged a contribution for that month.

Section 5. If a Covered Employee (a present employee for whom the Employer has been making contributions to the Fund) becomes disabled because of sickness or pregnancy and provided such employee furnishes satisfactory evidence of such disability, the Employer shall continue to make the required contributions for a period of one (1) year from the date of disability.

Section 6. The Employer shall contribute to the Milwaukee Hotel Industry Pension Trust Fund seventy-five (75) cents per event with a maximum of Eight and 00/100 Dollars (\$8.00) per month per banquet server covered by this Agreement.

Section 7. Pursuant to a prior Agreement, the Employer and Union have entered into a trust instrument creating the Milwaukee Hotel Industry Pension Trust Fund and have designated Employer Trustees under such Agreement.

Section 8. Selection of a funding agent for the Trust shall be made by the Trustee.

ARTICLE XIV

GENERAL AND ADMINISTRATIVE

Section 1. Payments to the Health and Welfare and Pension Funds shall be made by the later of the 25th day of each month or fifteen (15) days after the Employer receives the monthly statement. Payment not made by such date will be considered delinquent.

In the event the Employer becomes delinquent in its payments to the Health and Welfare and/or Pension Fund, the Employer shall be assessed and required to pay interest at the rate of one and one-half percent (1-1/2%) per month on the unpaid and delinquent balance owed. In the event that the Trustees refer any delinquency to legal counsel for collection, then the Employer shall be obligated to pay, in addition to such interest charges, reasonable attorneys' fees and any other costs and expenses reasonably arising in connection with any collection action.

FEDERAL BUREAU OF INVESTIGATION

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Date of transcription 1/20/87

[redacted] was interviewed at his place of employment, Milwaukee Hotel and Restaurant Association, 509 W. Wisconsin Avenue, Milwaukee, Wisconsin. After being informed of the identity of the interviewing agent and the nature of the interview, he furnished the following information:

[redacted]
[redacted]
[redacted] Health and Welfare Fund and Pension Fund. He acquired this position in early 1983. In addition, [redacted]
[redacted] for the Wisconsin Inkeepers' Association and the Greater Milwaukee Hotel, Motel Association.

[redacted] advised that the current administrator for the Milwaukee Hotel Industry Health and Welfare Fund is FRANK B. HALL CONSULTING COMPANY in Milwaukee and the insurance carrier for the fund is Prime Care a Health Maintenance Organization (HMO). [redacted] indicated that the trustees are now pleased with the new administrator and insurance carrier and feel that they are straightening out the fund. By this, [redacted] noted that the previous fund administrators had been very disorganized and did a poor job of handling the fund's accounting. [redacted] attributed this to incompetency on the part of the administrators, namely Third Party Administrators with [redacted] and First Benefit Administrators with [redacted]. In fact, the trustees are presently initiating legal procedures against the previous fund administrators. The poor accounting and handling of fund records by these previous administrators has caused the trustees to take this action. In addition, the disorganization and loss of records has become evident following recent subpoenas for records by the Milwaukee Federal Bureau of Investigation (FBI).

During the period that the fund was self insured (approximately 1983-1985), the fund incurred some very large medical claims and the contributions coming into the fund did not offset these large debts. Consequently, the fund had financial difficulties and went insolvent.

[redacted] recollected that SALLY'S STEAK HOUSE may have been mentioned during a past trustee meeting as having some difficulty with the union. But this would have been during the period that PHIL VALLEY was Business Manager of Local 122. [redacted] was unable to remember the exact nature of this discussion. Since [redacted] has been [redacted] of Local 122, [redacted] was unable to recall any mention of SALLY'S STEAK HOUSE

Investigation on 1/13/87 at Milwaukee, Wisconsin File # MI 183A-580
MI 156A-34
by SA [redacted] /dw Date dictated 1/13/87

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Continuation of interview of [REDACTED]

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or delinquencies in fund contributions by this employer. [REDACTED] stated that he does not know [REDACTED] and could not recall her name being presented at a board meeting. [REDACTED] was a waitress at SALLY'S STEAK HOUSE in Milwaukee, who received health benefits during a period of time when SALLY PAPIA did not contribute to the health fund on [REDACTED] behalf. [REDACTED] noted that [REDACTED]

[REDACTED] In terms of eligibility rules for receiving benefits, [REDACTED] agreed that the employer is required to contribute a specified amount of money on behalf of an employee in order for that employee to receive proper medical benefits. If a special circumstance were to exist regarding eligibility of a union member to receive benefits such as in the instance of [REDACTED] [REDACTED] indicated that this should be brought to the Board of Trustees for consideration and recommendations. However, [REDACTED] was unsure of waiting periods and other details concerning eligibility requirements.

[REDACTED] advised that he knows [REDACTED] of Local 122, [REDACTED] considers [REDACTED] to be knowledgeable and straightforward. He does not know [REDACTED] on a personal level. To his knowledge, [REDACTED] has never brought up [REDACTED] name or SALLY'S STEAK HOUSE [REDACTED] He stated that if this had been discussed at a meeting it should be recorded in the minutes of the meeting.

FEDERAL BUREAU OF INVESTIGATION

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b7CDate of transcription 6/9/87

[redacted]
[redacted] Milwaukee, Wisconsin. After being advised of the identity of the interviewing agents and the nature of the interview, [redacted] furnished the following information:

[redacted] has been employed as [redacted] for the past year at the American Legion Headquarters. Prior to this employment, [redacted] had been involved in the insurance field since 1966. He first became associated with the Milwaukee Hotel Industry Trust Funds through PHIL VALLEY, previous Business Manager for Local 122. VALLEY knew [redacted] VALLEY had suggested to the fund trustees that NORTON AND ASSOCIATES be considered for the position of fund manager or administrator. NORTON AND ASSOCIATES was an insurance firm which [redacted] a new firm named THIRD PARTY ADMINISTRATORS. The trustees continued to utilize [redacted] management services under THIRD PARTY ADMINISTRATORS. [redacted] for the fund when the fund transferred their accounts to FIRST BANK OF MILWAUKEE. [redacted] of FIRST BANK OF MILWAUKEE at that time. Eventually the trustees selected FIRST BENEFIT ADMINISTRATORS under [redacted] to manage this fund. This was around 1983 and [redacted] of Local 122.

However, while [redacted] he remembers SALLY'S STEAK HOUSE being billed for some payments associated with the union or trust funds. However, [redacted] was unable to recall if SALLY'S STEAK HOUSE contributed to the Health and Welfare Fund, the pension fund, or both. Because of these billings to SALLY'S, [redacted] noted that the Steak House would have had to have some type of collective bargaining agreement with Local 122. It was [redacted] opinion that the collective bargaining agreement or contract would suffice as a participation agreement between union and employer.

Investigation on 5/28/87 at Milwaukee, Wisconsin

MI 183A-580

File # MI 156A-34 -282by SA [redacted] (AMM/lmd)Date dictated 6/3/87

MI 183A-580
MI 156A-34

Continuation of Interview of [REDACTED]

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In terms of health insurance contributions to the fund from an employer, [REDACTED] advised that the employer had the option of providing a separate insurance policy, as long as the union members received equal health benefits as would be offered by the fund's insurance. This alternative insurance would have to cover all eligible employees, even those with other insurance coverage. [REDACTED] noted that even if an employer opts to provide alternate insurance, the employer is required by Wisconsin insurance regulations to abide by the Prime Carrier Rule. This requires that employees first submit their medical claims to the employer's insurance carrier which will provide the benefits. [REDACTED] noted that the trust fund is liable for these initial payments if the employer is a member of the union's trust fund. This prevents the employee from being covered under a spouse's insurance plan or another separate insurance policy until after the prime insurance carrier has had the opportunity to provide coverage. Any bills not completely covered can later be submitted to a secondary insurance carrier if desired.

[REDACTED] stated that if an employer became delinquent in forwarding contributions to the fund, [REDACTED] would have routinely contacted the union office. At that time, he would advise someone at the union office (most often [REDACTED] PHIL VALLEY, or later on [REDACTED] that a certain employer was delinquent in paying contributions. If the amount owed was large (thousands of dollars), the fund administrator would send a letter to the employer showing the amount due. It was the union's responsibility to enforce the contract by contacting the employer and informing them of the delinquency. Normally, most cases were resolved in this manner. [REDACTED] indicated that if the union was unable to enforce the contract, then the matter could be brought before the Board of Trustees and legal proceedings could be instituted. However, [REDACTED] could not recall any specific examples of this type of legal action being taken. However, delinquent employers would incur a fine, such as interest fees, while in delinquent status.

[REDACTED] advised that the fund would carry a union member for a certain period of time, even though the employer was in delinquent status. This was done to protect the member.

[REDACTED] believed that a member could be carried by the health trust fund for approximately two months while an employer is in delinquent status, but indicated that this information should be reflected in the eligibility rules for the fund. [REDACTED] noted that a delinquent employer would be required to pay all back contributions for all eligible employees in order to insure that individual employee received benefits.

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Continuation of interview of _____

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_____ stated that eligibility is connected to union membership and that the employer should begin making payments to the appropriate trust fund as soon as an employee joins the union. _____ noted that in terms of which employers were members of the fund, this information would be received from the union. In this regard, it was the union's responsibility to keep the membership information current for the fund administrator. The fund administrator was in the position of a contract employee and was paid approximately \$4,000 per month from the fund's reserves. At the time the fund was insured through Mutual of Omaha, the premiums were also paid out of the fund's reserves. _____ advised that _____ was a _____ at THIRD PARTY ADMINISTRATORS and may recall more details concerning the actual handling of claims.

When Mutual of Omaha decided to increase their premium rates and in consideration of the fact that the fund had incurred a substantial reserve of money, _____ to consider self-insurance. _____ had strongly suggested to the trustees that the fund cover any possible liability with extra stop-loss insurance coverage. During the meetings, Attorney _____ advised the trustees that the fund did not need specific stop-loss insurance as the fund had adequate surplus reserves to cover any large medical claims. It was _____ opinion that the decision by the trustees to forfeit certain stop-loss insurance probably caused the fund to go insolvent, due to several very large claims which the fund was unable to handle.

_____ stated that it was the fund administrator's responsibility to arrange for a payroll audit of contributing union employees. _____ recalled performing an audit on SALLY'S STEAK HOUSE in the early 1970's. He questioned the eligibility of some of SALLY'S employees, but could provide no further details on that audit. In approximately 1983, _____ had difficulty scheduling another payroll audit for SALLY'S STEAK HOUSE. Eventually, he called PHIL VALLEY in order to advise VALLEY that SALLY PAPIA was not responding to his letters for an appointment. Shortly after this time, THIRD PARTY ADMINISTRATORS lost the fund contract and _____ never did get to audit SALLY'S STEAK HOUSE this second time around. _____ advised that he accompanied _____ to the Cudworth Post in Milwaukee in order to give a trust fund benefit proposal for consideration of the fund's insurance. Other than this one time, _____ has never gone with _____ to any meetings and specifically has never attended a meeting with SALLY PAPIA, _____ or PHIL VALLEY.

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MI 156A-34

Continuation of interview of [REDACTED]

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[REDACTED] could not recall any further details regarding SALLY'S STEAK HOUSE. He advised that any significant information, such as a large employer delinquency, should be discussed in the trustee meetings and would be recorded in the minutes. In addition, the bylaws of the trust should also be recorded in the minutes. Any matters of financial interest would be recorded in the auditors reports. Audits were conducted on a regular basis by the contract auditors at that time, RITZ, HOLMAN, BUTALA, FINE, in Milwaukee, Wisconsin. The auditor's reports would also reflect which employees contributed to the trust funds.

[REDACTED] advised that he is acquainted with [REDACTED] who previously managed the restaurant in the Park East Hotel in Milwaukee, Wisconsin. [REDACTED] recalled that he had some trouble collecting contributions from the Park East Restaurant and a payback arrangement had to be set up. However, this accrued several years ago. [REDACTED] is also acquainted with [REDACTED] who he knows socially from the NORTH SHORE COUNTRY CLUB where they are both members. [REDACTED] advised that he has never paid any type of fee or got a kickback in order to obtain an account.

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At the termination of this interview, [REDACTED] was served with a copy of a Federal Grand Jury subpoena requiring his appearance before the Grand Jury on [REDACTED]. [REDACTED] advised that he understood the conditions of the subpoena.

FEDERAL BUREAU OF INVESTIGATION

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Date of transcription 8/17/87

[redacted] who is employed by the MARINE BANK TRUST COMPANY, 101 West Broadway, Waukesha, Wisconsin, telephone number [redacted] was interviewed at his office. [redacted] was advised of the identity of the interviewing agent and the purpose of the interview and voluntarily provided the following information:

[redacted] at FIRST BENEFIT ADMINISTRATORS, 1001 North Mayfair Road, Milwaukee, Wisconsin until [redacted] FIRST BENEFIT ADMINISTRATORS did the administration for the MILWAUKEE HOTEL INDUSTRY HEALTH AND WELFARE FUND. [redacted] was shown a copy of SALLY'S STEAK HOUSE check number 7951, dated October 14, 1985, made payable to FIRST BENEFIT ADMINISTRATOR, in the amount of \$189.36. [redacted] was also shown a copy of an accounting worksheet titled, "Special Billing SALLY'S STEAK HOUSE", which was part of the April, 1986 audit of the MILWAUKEE HOTEL INDUSTRY HEALTH AND WELFARE FUND by the accounting firm RITZ, HOLEMAN, BUTALA, AND FINE.

[redacted] confirmed that [redacted] had replaced [redacted] before November, 1985 and [redacted] was handling the HOTEL INDUSTRY account. [redacted] did not recall seeing the SALLY'S STEAK HOUSE check but he stated that [redacted] may have shown it to him when it came in. [redacted] stated that the writing on the accounting worksheet titled, "Special Billing SALLY'S STEAK HOUSE" appeared to him to be [redacted] handwriting. [redacted] has never seen this sheet before and could not explain why the sheet indicated HEALTH AND WELFARE coverage for October, 1984; November, 1984; December, 1984; April, 1985; May, 1985; and March, 1985 instead of for six consecutive months.

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[redacted] indicated that [redacted] would have had to talk to [redacted] or someone at Local 122 regarding all the unusual circumstances surrounding the one time contribution by SALLY and the subsequent claims payments and to obtain the information put on the accounting worksheet.

Investigation on 8/7/87 at [redacted] Wisconsin File # MI 183A-580
by SA [redacted] and [redacted] Date dictated 8/11/87

MI 183A-580

Continuation of interview of [REDACTED]

, Page 2*

[REDACTED] explained that since it was the union's job to enforce the HEALTH AND WELFARE provisions in the Collective Bargaining Agreements, [REDACTED] on several occasions, had collected HEALTH AND WELFARE monies and turned them over. [REDACTED] felt that this SALLY'S check might represent one of [REDACTED] "special deals". [REDACTED] felt it was because of this situation that [REDACTED] might have shown him the SALLY'S check when it came in. [REDACTED] had no specific recollection of seeing the check or of conversations with [REDACTED] regarding it.

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[REDACTED] stated he was not a party to, or aware of, any discussions concerning the handling of the onetime SALLY'S STEAK HOUSE payment and the subsequent payment of medical claims.

FEDERAL BUREAU OF INVESTIGATION

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Date of transcription 12/11/86

[redacted]
 Wisconsin, telephone number [redacted] was interviewed at the office of the Milwaukee Federal Bureau of Investigation. After being informed of the identity of the interviewing Agent and the nature of the interview, he voluntarily furnished the following information:

[redacted] is presently a student at Marquette University in Milwaukee. He is pursuing a Masters Degree in Business Administration and anticipates graduating in January of 1988. [redacted] previously held the position [redacted] at FIRST BENEFIT ADMINISTRATORS, 1011 North Mayfair Road, Milwaukee. He was employed as [redacted] from [redacted] and was let go from the firm in [redacted]. His job duties involved [redacted]. FIRST BENEFIT ADMINISTRATORS received the account of the Milwaukee Hotel Industry Health and Welfare Fund in 1984. During that time, the fund was self-insured. Later, the fund picked up an insurance carrier called PRIME CARE, which was a Health Maintenance Organization (HMO). In 1986, FIRST BENEFIT ADMINISTRATORS was dropped and the fund picked up a new administrator called FBA, INC. It was during this new administration that [redacted] lost his position due to financial cutbacks at FBA, INC.

[redacted] recalled that the Milwaukee Hotel Industry Health and Welfare Fund was always "shoddy" in that record keeping was poor. It was a large account and [redacted] felt that the Administrators were never really able to get a handle on the fund. He was unable to remember any specific circumstances where an employer or a member of the union had special consideration or were outstandingly or routinely delinquent in contributions. Generally, there were adequate internal controls on payments coming out of the fund. For example, a payment for expenses or pension benefits would need to be approved by two trustees, generally [redacted]. At the time, [redacted] at the ASTOR HOTEL. However, payments for health care benefits were authorized by a stamp with [redacted] name on it. Any employee who was in a position to send out checks could utilize the stamp. The actual processing of the medical claims was done at the Milwaukee Hotel Industry Local 122 union office by [redacted] for FIRST BENEFIT ADMINISTRATORS. [redacted] had all the eligibility information and was in a position to determine who could

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Investigation on 12/8/86 at Milwaukee, Wisconsin File # MI 183A-580
MI 156A-34-218
 by SA [redacted] /sms Date dictated 12/9/86

Continuation of interview of _____

, Page 2

receive benefits. _____ noted that employees at the fund administrator's main office would have no reason to question payments and would automatically send out the processed checks. _____ was unfamiliar with _____ eligibility status and the fact that she received benefits while her employer, SALLY'S STEAK HOUSE in Milwaukee, did not contribute on her behalf. _____ indicated that in order for _____ to receive health benefits, SALLY'S STEAK HOUSE would have had to contribute to the Health and Welfare Fund on her behalf in a timely manner. In certain circumstances, a member who fell out of eligibility could continue to receive benefits for a limited period if the member made her own contributions in lieu of the employer. Occasionally, if an employee were delinquent in contributions and it was assured that these contributions were coming in, the member could receive a benefit for a brief period. However, because SALLY'S STEAK HOUSE was delinquent in contributions for such an extended period, _____ doubted that payments would be made for _____ as this would constitute a considerable risk of the fund losing money. In the event of a special situation where benefits might be paid for an ineligible member, the matter would need to be presented before the Board of Trustees for approval of payment. _____ recalled that he was in attendance at _____

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_____ further indicated that _____ might process a payment for a questionable member if _____ advised her to. Normally, _____ would listen to _____ as he was a union official and would be in a position to be knowledgeable about union fund matters. This advice could be on the condition that the matter in question was being handled and would be approved. _____ had no knowledge of the method of operations at the union office but suggested that if a theft from the fund was to occur, the medical claims and subsequent benefit payments would be a logical place for this to occur. _____ hypothesized that perhaps _____ had indicated to _____ that _____ claims could be processed and proper restitution from SALLY'S STEAK HOUSE would be forthcoming. Subsequently, _____

However, if there was question of eligibility for benefit payments, the Administrator would at least have management approval of the check, requiring _____ authorizing signature.

In 1985, the fund went insolvent. _____ contributed this to the fact that payments were made in excess of contributions coming in. He noted that the premium rate for the health insurance at that time was quite small. _____

_____ However, this development should not have affected individual claims as claims were paid as they were incurred.

Continuation of interview of [REDACTED]

Page 3*

Regarding eligibility, [REDACTED] stated that certain criteria had to be met. This included a minimum period of time worked, such as six months, and a minimum amount of hours worked. [REDACTED] did not believe that dues or contributions could be backdated for purposes of health benefit coverage.

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[REDACTED] noted that it would not be uncommon for the fund auditors to bypass a delinquent account as they are only doing a statistical sampling and could easily miss the account. [REDACTED] further stated that to his knowledge, [REDACTED] always appeared to be honest in his job [REDACTED]. However, he had no knowledge of [REDACTED] activities at the union office, and did indicate that [REDACTED] may have had mafia type associations. [REDACTED] also noted that PHIL VALLEY had associations with the BALISTRIERIS.

FEDERAL BUREAU OF INVESTIGATION

9/11/86

Date of transcription

[redacted]
[redacted] Milwaukee, Wisconsin,
telephone number [redacted] was interviewed at her residence
by Special Agents (SA's) [redacted] at
approximately 4:45 P.M. The agents identified themselves to
[redacted] and advised her that the purpose of the interview
related to an investigation by the Federal Bureau of Investigation
(FBI) of THE HOTEL AND BARTENDERS UNION LOCAL 122 and its
relationship with certain employers. [redacted] was informed that
certain records pertaining to her had been obtained during a
search warrant at Local 122 and that numerous persons had already
been interviewed. [redacted] voluntarily provided the following
information:

[redacted] maiden name was [redacted] and she was
employed at SALLY'S STEAKHOUSE for approximately six years since
1980 primarily as [redacted]. Prior to 1980, [redacted] had
also been employed at SALLY'S but had left and returned to SALLY'S
in 1980. [redacted] is currently on a leave of absence from
SALLY'S as she is nine months pregnant. When [redacted] took a
leave of absence, she was in a disagreement with SALLY PAPIA,
however, since leaving the restaurant, [redacted] had been told by
SALLY that she could return.

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[redacted]
of LOCAL 122. [redacted] had mentioned to [redacted] that [redacted] had
some large medical expenses and that she [redacted] had been working
at SALLY'S for a considerable period of time. [redacted] told
[redacted] to have [redacted] come and see him. In late
December, 1984 or in January, 1985, [redacted] contacted [redacted]
[redacted] from LOCAL 122. [redacted] went to [redacted] office in early
January, 1985. Prior to this January, 1985 meeting, [redacted]
did not know that SALLY'S was a union restaurant and she was not
aware that any employees at SALLY'S were members of LOCAL 122.
While employed at SALLY'S in 1979 [redacted] recalled that another
employee of SALLY'S at that time, [redacted] told her that
nobody talked about the union at SALLY'S and that it was "hush,
hush."

Investigation on 9/3/86 at Milwaukee, Wisconsin File # MI 183A-580 -530
by SA [redacted] (RLT/lis) Date dictated 9/5/86

MI 183A-580

Continuation of interview of _____

Page 2

_____ told _____ at the January, 1985 meeting that she was not aware that SALLY'S was a union restaurant. _____ expressed surprise at the above statement but then later _____ stated that SALLY did not surprise him because she probably did not want to make contributions for her employees. _____ commented that SALLY was keeping her old employees names on the dues statement. _____ mentioned a _____ who was listed as a bartender, and _____ said that _____ said managers should not be on SALLY'S dues list. _____ stated that _____ should not be on SALLY'S dues list since she had quit. Subsequently, _____ had _____ name removed and _____ maiden name, _____ was added to the dues list. _____ told _____ that if she became a member of LOCAL 122 and paid her back dues, she would be automatically covered by union health insurance. _____ told _____ that she had extensive surgery in October, 1984, and she would require additional surgery in the future. _____ told _____ that the October, 1984 medical costs could be covered by union insurance since she had been employed at SALLY'S for so long and if she paid her back dues to LOCAL 122. _____ signed a document related to joining LOCAL 122 but could not recall its description, and she paid her back dues to LOCAL 122 beginning with either the month of September or October, 1984 through January, 1985. _____ received a LOCAL 122 dues book which was completed showing that she had paid her 1984 dues in January, 1985. _____ had been assured by _____ that this was proper and her dues book reflected the back payment of dues. _____ no longer has her LOCAL 122 dues book. _____ gave this book to SALLY PAPIA and SALLY never returned it.

_____ told _____ that he wanted her to tell SALLY that she, _____ was joining LOCAL 122 before she joined. _____ did tell SALLY that she had joined LOCAL 122. _____ told _____ that she should talk to the girls at SALLY'S. _____ talked to a _____ who was pregnant and who had no insurance. _____ was told by _____ that the union insurance would cover a pre-existing condition. _____ did go to see _____ also talked with _____ about joining LOCAL 122 and _____ also talked to _____ did not know at that time that _____ had talked to _____

When _____ found out that _____ had joined LOCAL 122, she was very angry. SALLY called _____ in and JIMMY

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MI 183A-580

Continuation of interview of [REDACTED]

, Page 3

JENNARO was present. JIMMY told [REDACTED] that she should have kept her mouth shut and not talked to the other girls.

During the summer of 1985, [REDACTED] observed [REDACTED] and SALLY together several times talking in the restaurant but SALLY did not want her around. SALLY kept saying we are not union and [REDACTED] was saying she was union. Nobody wanted to pay her medical bills. SALLY would not pay her back health and welfare contributions because she (SALLY) kept saying she was being cheated and it would cost her a lot of money.

[REDACTED] stated that if it was not for her having some influence, her medical bills would not have been paid.

SANFELIPPO elaborated by stating that her father, [REDACTED] talked to JIMMY JENNARO and SALLY and her bills were paid. [REDACTED] did not know whether SALLY ever paid the back health and welfare contributions but the union insurance paid her medical expenses including the 1984 expenses. [REDACTED] stated that she had two occasions where she incurred major medical expenses, in October/November, 1984, and late January, 1985. [REDACTED] estimated the total expenses of both to be \$3,500.00. The union insurance paid 80 percent of the expenses. [REDACTED] readily admitted that she was not a member of LOCAL 122 in October, 1984, but stated that she was a member at the time she incurred the late January, 1985 medical expenses. [REDACTED] did not make any health and welfare contributions herself and stated that she only paid her union dues. [REDACTED] also indicated that after paying her dues to LOCAL 122 in January, 1985, she later found out from LOCAL 122 that SALLY began paying her [REDACTED] LOCAL 122 dues.

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In June, 1986, SALLY PAPIA took [REDACTED] to lunch at WATTS RESTAURANT where SALLY just happened to run into her attorney. [REDACTED] stated he was a good size older man with glasses. [REDACTED] thought his first name might be [REDACTED] SALLY questioned [REDACTED] in front of the attorney about what [REDACTED] had told her about joining the union and back dating her dues.

In July, 1985, SALLY called all her employees together with [REDACTED] present and talked about what a "nitwit" [REDACTED] was because she thought the union would pay her medical expenses if she [REDACTED] only paid her union dues. [REDACTED] said that she (SALLY) could not tell her employees not to join the union but stated that she would offer Blue Cross/Blue Shield Insurance for those employees who wanted it. It would cost the employee \$200.00 a month and she would post a sign up sheet on the refrigerator for those who wanted the insurance.

MI 183A-580

Continuation of interview of _____

Page 4*

Later SALLY had all the employees sign slips deciding whether or not to join the union. Some persons signed no even though they wanted it because they were afraid of SALLY.

_____ signed no because she was going to be covered by Blue Cross/Blue Shield in August, 1985. _____ stated that on her slip SALLY typed in a statement after _____ had signed it regarding _____ getting married and wanting to work part-time and looking for other employment. _____ could not remember the exact statement, but later became aware that the statement was added. _____ confronted SALLY but SALLY told her that the statement had been on the slip when she _____ signed it.

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_____ expressed fear and distrust of SALLY PAPIA several times during the interview because "she knew SALLY."

_____ stated that _____ had frequently intimated to her employees that they might lose their jobs if they crossed her.

_____ believes that phone conversations she had with both _____ and SALLY were recorded by them. They would tell her to hold on and then she would hear a click. About three-quarters of the way through the interview, _____ husband, entered the apartment and the agents identified themselves to him and informed him of the nature of the interview. _____ told _____ that she did not have to talk to anyone. The interview was terminated at approximately 5:40 P.M.

Memorandum

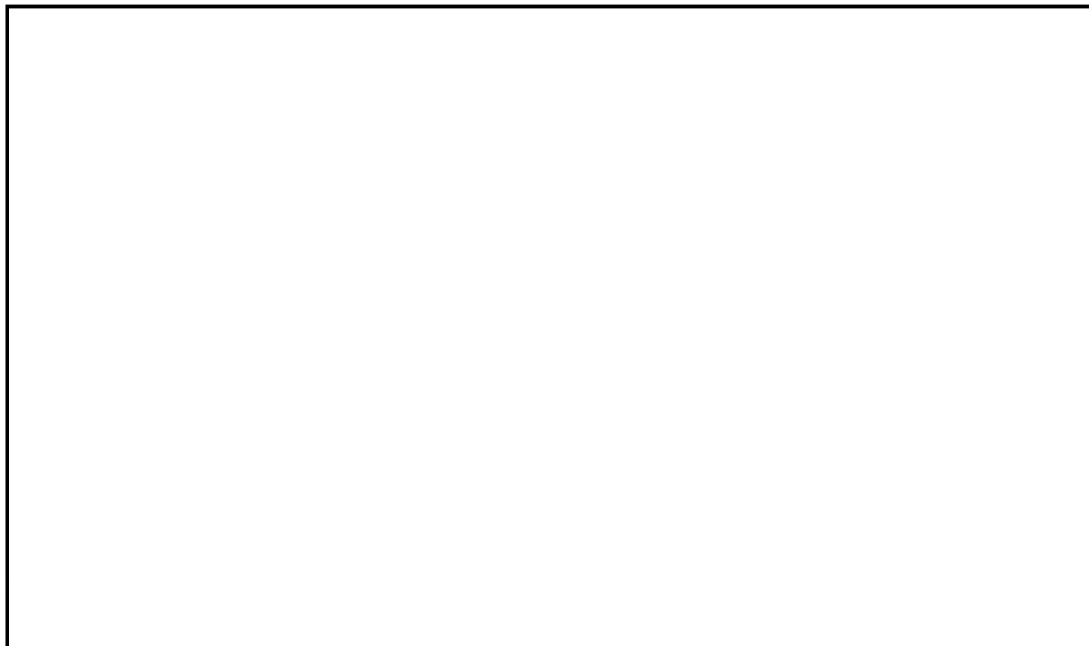


To : SAC, MILWAUKEE (156A-34) P

Date March 30, 1987

From : SA

Subject : MILWAUKEE HOTEL INDUSTRY
HEALTH AND WELFARE FUND;
ERISA
OO: Milwaukee



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AMM/amm
1-MI

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/15/87b6
b7c

[redacted] Milwaukee, Wisconsin, 53222, [redacted] was interviewed at her residence. After being advised of the identity of the interviewing agent and the nature of the interview, she provided the following information:

[redacted] advised that she was previously employed as an [redacted] at Third Party Administrators, Inc. from [redacted] 1981 until February, 1985. While at Third Party Administrators, Inc., her job duties included general secretarial work, some computer input, accounts receivable, and handling the checking accounts. [redacted] worked under [redacted] noted that she had been employed in the insurance field for a considerable period of time and had also worked for Insurance Benefit Plans and Mayfair National.

Regarding the Milwaukee Hotel Industry Trust Funds, [redacted] recalled handling the paperwork for this particular account. [redacted] noted that SALLY'S STEAK HOUSE in Milwaukee was a participant in one of the Local 122 trust funds. She recalls this because she sent out bills to SALLY'S STEAK HOUSE. Therefore, SALLY'S STEAK HOUSE would have had to have an employer contract with the union which would act as a participation agreement. [redacted] could not specifically remember if SALLY PAPIA, operator of SALLY'S STEAK HOUSE, contributed to the Health and Welfare account or the pension account. She did indicate that she believes SALLY'S STEAK HOUSE may have contributed only to the pension trust fund. [redacted] noted that SALLY'S STEAK HOUSE was a small account with only a few employees. [redacted] was unable to recall if SALLY'S STEAK HOUSE remitted her payments in a timely fashion but noted that if SALLY'S was consistently delinquent in her contributions, she would remember this. [redacted] did recall that WEST ALLIS INN had often been delinquent in remitting contributions.

[redacted] provided the name of [redacted] who also [redacted] at Third Party Administrators. [redacted] in Milwaukee. Her husband's name is [redacted]

[redacted] advised that in terms of collection efforts, an occasional problem may have existed with SALLY'S STEAK HOUSE, but did not recall any details. To her knowledge, no one at the administrator's office ever mentioned SALLY'S STEAK HOUSE. [redacted] indicated she knows who [redacted] of Local 122, is but has never talked to him.

Investigation on 6/1/87 at Milwaukee, Wisconsin

MI 183A-580
File # MI 156A-34 -289

SA [redacted]
dg

Date dictated 6/8/87

MI 183A-580
MI 156A-34

Continuation of interview of _____

, Page 2*

In terms of general delinquency procedures, _____ would normally contact someone at the union office, probably _____ in order to advise the union that an employer owed contributions. She might make a notation on the billing statement, but not always. It would be the union's responsibility to enforce the contract. _____ could not remember how many months an employer would have to be delinquent before an employee would lose benefits or legal action against the employer would be necessary. _____ could not remember legal action being taken against any specific employer. _____ advised that enforcement of delinquency procedures was casual and not "cut throat"; meaning that an employee could be carried by the fund for a limited period of time even though the employer was delinquent in contributions. However, an employer would have to remit all delinquent contributions for all eligible employees in order to continue the benefit package for the employees.

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_____ had no knowledge of a payroll audit being conducted at SALLY'S STEAK HOUSE. It was her understanding that this would be the responsibility of the auditors.

_____ was shown a copy of a letter, dated July 29, 1983, addressed to _____ from _____ regarding a request for information on employers possibly covered under the master contract. This list included SALLY'S STEAK HOUSE. _____ explained that this letter was probably written because some employers were dropping out of the fund and _____ needed to verify which employers were covered under the master contract. (The above letter is attached for reference in this matter).

**HIRD
PARTY
ADMINISTRATORS, INC.**

10012 W. Capitol Dr.
MILWAUKEE, WISCONSIN 53222
1-414-463-8152

July 29, 1983

[REDACTED]
HOTEL & RESTAURANT INDUSTRY
LOCAL 122
135 W. Wells, #428
Milwaukee, WI 53203

RE: Milwaukee Hotel Industry
Health & Welfare Fund and
Pension Trust Fund

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Dear [REDACTED]

Below is a listing of the employers for whom we do not have a contract on file. Please advise if they are all covered under the master contract.

Alex's Cocktail Lounge
Astor Hotel
Boulevard Inn
Embers Steak House
Knickerbocker Hotel
Marc Plaza
Park East Hotel
Plaza Motor Hotel
Karl Ratzsch's
Salico Catering
West Allis Inn-Ravakish
Woods View Inn

Alonzo Cudworth Post
Belmont Hotel
Contract Cleaning, Inc.
Hyatt Regency
Maders German Restaurant
Mini Price Motor Inn
Pfiter Hotel & Tower
Randolph Hotel
Ratzsch's Old World Restaurant
Sally's Steak House
Wisconsin Hotel

Also, is Automatique Food Service Division covered under the Automatique contract?

Thank you.

Sincerely,

[REDACTED]

MK
8/20/86

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/9/86b6
b7c

[redacted]
[redacted] was interviewed at her residence by Special Agents (SAs) [redacted]. The agents identified themselves to [redacted] and after being informed of the nature of the interview, [redacted] voluntarily provided the following information:

[redacted] started as an office girl with the Hotel, Motel, Restaurant, Employees and Bartenders Union, Local 122, approximately 46 years ago. Just after World War II,

[redacted] until the election in 1984 when she retired. [redacted] was also [redacted] on the Milwaukee Hotel Industry Health/Welfare and Pension Trust funds while [redacted] PHIL VALLEY was the Business Manager of Local 122 throughout her career with Local 122.

The dues check-off statements contained the names of union members for the particular unionized employer and the statements were used by Local 122 to collect dues being withheld for these employees. The members' dues were only collected this way if they had authorized employer withholding by signing an authorization. If the employer withheld dues, the local preferred that all union members of that employer use employer withholding, even though a union member could pay their dues directly to Local 122. The dues check-off statement was prepared in three parts: an original and two duplicates. The original remained in the Local 122 offices and the two copies went to the employer. The employer sent one copy back with the dues payment and retained a copy for their records. If the employer had new employees who were joining Local 122, they would add their names to the copy of the dues check-off statement being returned to Local 122 and include the new members' Local 122 sign-up cards.

The Local 122 sign-up card consists of a card with a white top sheet and an off-white bottom card that is a carbon copy of the top sheet. Local 122 in the past had used an older style application form. Local 122

Investigation on 8/28/86 at Milwaukee, Wisconsin File # MI 183A-580-511
MI 156A-34
by SA [redacted] (RLT:dg) Date dictated 9/2/86

MI 183A-580

Continuation of interview of _____

, Page 2

usually made certain that employers had a supply of the blank sign-up cards. Normally, the employee would complete the card and place his signature on the card. The employee could also authorize dues withholding by placing his signature a second time on the sign-up card. Local 122 usually required that the employee's signatures be witnessed and that the witness also sign the card. Occasionally, the employer would complete the sign-up card to make it more legible; however, the employee had to sign the card to become a member of Local 122. _____ stated that unless the individual signed the card and paid the initiation fee, they were not a union member. Generally, the employer would submit both parts of the sign-up card to Local 122 and the original white copy would be returned to the employer for their files. The off-white copy was retained by Local 122. Occasionally, the employer would retain the original white copy and submit only the carbon off-white copy to Local 122.

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At the union office, the carbon copy sign-up cards were filed. The names of new members taken from the cards would be reported on a monthly basis to the Hotel Employees and Restaurant Employees International Union (HEREIU). The local would pay the per capita tax for the new members at this time. A portion of the per capita tax and a copy of the new members' information went to the Milwaukee County Labor Council to assist in the cost of printing and distributing the Milwaukee Labor Press newspaper.

Upon receiving the new union members' sign-up cards, a green file card would be prepared by Local 122 for that person. The green card represented a dues payment record on a monthly basis for that particular employee. The green cards covered a five calendar year period. The green cards were used to prepare the next month's dues check-off statement for an employer.

A new member would usually first appear on his employer's dues check-off statement on the next monthly statement following receipt of his sign-up card.

A yellow card was also maintained for each union member and represented a history by date of his affiliation with the local.

MI 183A-580

Continuation of interview of _____

, Page

3

This card might show suspension, when a member left the union, or initiation or re-instatement when the member joined or returned to the local.

Local 122 members received the Milwaukee Labor Press newspaper and the Catering Magazine put out by HEREIU. The mailing list for both came from the per capita information supplied by Local 122. Members also received a death burial benefit between \$175-\$250 depending on their length of membership.

Local 122 members only received health insurance and pension benefits if their employers participated in the Health and Welfare and Pension Trusts and made contributions to these funds for them. The participation of an employer was determined by his collective bargaining agreement with Local 122. In addition to being a member of Local 122, the employee must also work a certain number of days a week and meet eligibility requirements, as well as having contributions made to the trust funds by their employer. An employee could make his own contributions for a quarter under certain conditions.

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_____ was asked if a person's membership in Local 122 could be backdated so that medical expenses incurred prior to Local 122 membership could be paid by the Health and Welfare Fund. _____ responded that these expenses could not be covered as there would be no contribution being made by an employer for that individual and they would not be eligible for coverage by the fund. _____ stated that as a _____ of the Health and Welfare Fund, the trustees to her knowledge had never passed any special resolutions changing eligibility requirements for persons in such a position in order to pay medical expenses. The administrator of the Health and Welfare Fund had the responsibility for determining eligibility for individuals covered by the fund. The administrator would cross check his records with Local 122 regarding date of employment, union membership, etc. When the new union member filled out the Local 122 sign-up card, they also completed a health insurance information card which went to the administrator of the fund.

_____ had no knowledge of any special provisions regarding SALLY'S STEAK HOUSE and she could offer no explanation

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/4/86

[redacted]
[redacted] Wisconsin telephone [redacted] was interviewed at
[redacted]
[redacted] Milwaukee, Wisconsin. After being
advised of the identity of the interviewing agent and the
nature of the interview, she voluntarily furnished the follow-
ing information:

[redacted] has been the [redacted] at
PRIMECARE since February 1, 1986. Previous to this position,
she was [redacted] of FIRST BENEFIT ADMINISTRATORS on 1011 North
Mayfair Road, Milwaukee, Wisconsin. In May or June of 1985,
[redacted] tried to sell FIRST BENEFIT.
In February of 1986, the client base, which included the
Milwaukee Hotel Industry Health and Welfare Fund, was sold to
FBA, INC., an Illinois based firm. [redacted] subsequently
acquired a position at FBA, INC.

PRIMECARE was recently chosen as the insurance
carrier for the Local 122 Health and Welfare Fund. Three other
Health Maintenance Organizations (HMO's) submitted bids, but
PRIMECARE offered the best premium rates. [redacted] stated that
this was a prudent decision on the part of the fund's trustees,
as previous to this time, the fund was self-funded and had
been experiencing financial difficulties. [redacted] indicated
that her experience and knowledge of labor unions and
management had been instrumental in her obtaining employment
with PRIMECARE. [redacted] of PRIMECARE,
offered [redacted]

[redacted] stated that PRIMECARE is a highly regarded HMO and is
incorporated under HERITAGE HEALTH SYSTEMS. The headquarters
for PRIMECARE is in Miami, Florida with branches in Philadelphia
and Milwaukee. The Company Executive Officer (CEO) is [redacted]
[redacted] and the President in Milwaukee is [redacted]
PRIMECARE provides services for any corporate group or labor
group which needs an HMO. Recently, [redacted] has been
[redacted] at PRIMECARE. [redacted]
stated that this is a fairly common practice and is considered
good public relations to have a representative of the labor

Investigation on 12/1/86 at Milwaukee, Wisconsin File # MI 183A-580
MI 156A-34 -216
by SA [redacted] meg Date dictated 12/2/86

MI 156A-34

Continuation of interview of [REDACTED]

, Page 2

unions which is a substantial account. [REDACTED] position involves a good deal of public relations work and preparation of health care packages for interested groups.

[REDACTED] recalled administrating the Local 122 Health and Welfare Fund while she was [REDACTED] of FIRST BENEFIT ADMINISTRATORS. [REDACTED] remembered that the fund involved a good deal of work but ran fairly smoothly. She advised that she had to attend numerous trustees' meetings; this was due to the fact that the fund was self-insured, ran into financial problems and subsequently was actively pursuing an HMO.

Regarding eligibility requirements for members to receive medical benefits, [REDACTED] advised that eligibility would be determined by the remittance reports. These reports would be sent to each employer on a monthly basis. It was then the employer's responsibility to add or delete employees' names and therefore make sure the lists were correct. This updated schedule would be used to prepare the eligibility reports which were utilized by [REDACTED] was in charge of determining eligibility for submitted medical claims and her office was located at the Local 122 business office. [REDACTED] would process the claims at the end of the business day on a CRT computer terminal where she would enter the data for checks to be paid. This information would be balanced in the financial bank accounts. Subsequently, the checks would be spit out of the main computer at the fund administration office on Mayfair Road. These checks would be stamped with [REDACTED] signature and sent out to the appropriate providers or insuree. The stamp could be utilized by any authorized employee who would be sending the checks out. The stamp was kept in a locked safe in the fund administration office. [REDACTED] stated that there would be no reason to question any of these checks as the eligibility status and the account balances would have already been determined by [REDACTED]. [REDACTED] noted that if [REDACTED] had processed a claim at the Local 122 Union Office, a notation by her would be on the claim. [REDACTED] was not in the position of handling the day-to-day operations of the funds and noted that either [REDACTED] or [REDACTED] would have greater knowledge of the Local 122 fund's operations. [REDACTED] did not recall any unusual or special circumstances regarding specific employers who contributed to the fund. She did have vague recollection of SALLY'S STEAK HOUSE offering another insurance plan to her employees and therefore, possibly this might account for SALLY PAPIA not contributing to the fund. [REDACTED] could not understand how [REDACTED] a past employee of SALLY'S

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MI 156A-34

Continuation of interview of _____

Page

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STEAK HOUSE, was able to receive medical benefits from the fund, except to hypothesize that _____ may have innocently misread the eligibility reports. When questioned about the possibility that _____ would have personally asked _____ to process _____ medical claims, _____ noted that perhaps _____ may have indicated to _____ that SALLY PAPIA was in the process of making health and welfare contributions on behalf of _____. However, she felt this was unlikely. _____ indicated that it could be possible for a member's dues to be backdated a short amount of time, but she was not certain of this. The reason for this backdating might be to provide medical insurance, but she noted that the employer should be current in the health and welfare contributions in order to receive a medical benefit. _____ is familiar with _____ on a professional level. _____ recalled _____ being present at numerous trustees' meetings for the fund. _____ advised that she attended most of the trustees' meetings while she was co-owner of FIRST BENEFIT ADMINISTRATORS. _____ noted that in order for a medical claim to be paid under special circumstances, an appeal would have to be submitted before the Board. All the trustees would then have to consider the appeal and vote on it. _____ was certain that this type of appeal was never presented at a meeting of the fund's Board of Trustees by _____ or any other individual.

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_____ could not recall _____ name or eligibility status ever coming up during meetings or personal discussions. _____ has never discussed any specific medical claims with _____.

_____ could not recall any legal action being taken against SALLY PAPIA for nonpayment of health and welfare contributions and did not actually know what the situation was concerning SALLY'S STEAK HOUSE.

_____ stated that the payment of _____ medical claims in November of 1985, when some of these claims were incurred in 1984, may have been part of the outstanding claims which were eventually paid after consideration had been given to the monies left in the fund. This list of outstanding claims could be available in the minutes of the trustees' meetings or with the accounting firm for the fund at that time, RITZ HOLMAN BUTALA FIRE AND KNIGHT in Milwaukee which would have information on the fund's outstanding claims. This audit was accomplished in July of 1985 by _____ telephone _____.

_____ In addition, _____ at FIRST Wisconsin, telephone _____.

MI 156A-34

Continuation of interview of _____

, Page

4

BENEFIT ADMINISTRATORS, would be knowledgeable about the financial aspects of the fund.

_____ admitted being puzzled regarding the circumstances surrounding _____ eligibility and receipt of medical benefits and thought that it sounded suspicious, but could only guess as to what goes on at the Local 122 Union office.

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At the termination of this interview, _____ jokingly reflected that _____ BEN BARWICK and PHIL VALLEY had connections. These connections are Mafia related and _____ indicated that _____ was close to the BALISTRIERIS.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/15/87b6
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[redacted] was interviewed at DENNY'S RESTAURANT, 11155 West North Avenue, Milwaukee, Wisconsin, located near [redacted] place of employment, Prime Care Health Plan of Wisconsin, 1233 North Mayfair Road, Milwaukee, Wisconsin. [redacted] is employed as [redacted] at Prime Care. [redacted] was advised that the intent of the interview was to ascertain additional details regarding SALLY'S STEAK HOUSE relationship with the Milwaukee Hotel Industry Health and Welfare Fund during the period that [redacted] [redacted] First Benefit Administrators previously held the responsibility of managing the trust fund.

In terms of eligibility, [redacted] advised that in order for a member to receive health benefits from the trust fund, the corresponding employer would have to make the proper contributions to the fund. These contributions are made on a monthly basis and cover the collective bargaining unit as outlined in the employer-union contract.

The administrator kept track of eligible members through the remittance reports. These reports were submitted monthly to the employer, who would check the employees' names. The employer would have the responsibility of adding new employees or deleting employees who were no longer eligible. Then the employer would remit a check with the updated remittance report back to the administrator. This information was later computerized on employer eligibility reports and employee [redacted] This information would be conveyed to [redacted] [redacted] was an employee of First Benefit Administrators but worked out of the Local 122 union office in Milwaukee. [redacted] could then authorize the actual payment of medical claims.

[redacted] believed that SALLY'S STEAK HOUSE was a contributing employer to the pension fund and not the Health and Welfare Fund. She could not recall any other employers who might have been in a similar situation as SALLY'S STEAK HOUSE. [redacted] noted that through general conversation in the administrator's office, she believed that SALLY'S STEAK HOUSE offered certain employees an alternate insurance plan such as Blue Cross/Blue Shield. She may have specifically heard this from [redacted] [redacted] has never spoken to SALLY PAPIA or anyone else at SALLY'S STEAK HOUSE, nor did she believe anyone else at First Benefit had. She has been to SALLY'S STEAK HOUSE to eat.

[redacted] recalled that SALLY'S STEAK HOUSE had come up during trustees meetings but could not remember in what context. She noted that many of the trustee meetings were held at the offices of First Benefit Administrators.

Investigation on 6/10/87 at Milwaukee, Wisconsin File # MI 183A-580
MI 156A-34 - 257
by SA [redacted] dg Date dictated 6/12/87

MI 183A-580
MI 156A-34

Continuation of interview of [REDACTED]

Page 2

Regarding employer delinquencies, [REDACTED] indicated that the procedures were not enforced very well. She explained that occasionally First Benefit Administrators would contact employers who were delinquent in contributions or if there were questions on remittance reports. Generally, it was the union's responsibility to enforce the contract. [REDACTED] advised that she had no knowledge of large delinquencies concerning SALLY'S STEAK HOUSE employer contributions and, in fact, indicated that she was first made aware of an inconsistency regarding SALLY'S STEAK HOUSE during a previous interview with SA [REDACTED]. The only employer [REDACTED] specifically recalled as having a considerable contribution delinquency problem was the WEST ALLIS INN. The WEST ALLIS INN was [REDACTED] and First Benefit assisted the union in collection efforts by sending letters. [REDACTED] was shown a copy of a May, 1985, letter from [REDACTED] of Local 122, calculating delinquent contributions due from SALLY'S STEAK HOUSE to the Health and Welfare Fund and again indicated that she was not aware of the letter. However, [REDACTED] qualified this by advising that she was more involved in external matters of the business and that the internal operations were often supervised by [REDACTED]. Therefore, she noted that perhaps [REDACTED] had discussed this matter of SALLY'S STEAK HOUSE with [REDACTED]. [REDACTED] was the comptroller for First Benefit. [REDACTED] noted that [REDACTED] is no longer employed at FBA, INC.

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[REDACTED] was shown a copy of a check dated October 14, 1985, and made out to First Benefit Administrators in the amount of \$189.36 from SALLY'S STEAK HOUSE with a notation on the lower left hand corner indicating payment in full for [REDACTED]. [REDACTED] noted she had never seen this check before and had no specific knowledge of the check but did make the following observations regarding the check:

1. The check should have been made payable to the Milwaukee Hotel Industry Health and Welfare Fund and not first Benefit Administrators.

2. [REDACTED] questioned the amount of \$189.36 and advised it might represent three months of contributions or possibly six months of contributions, except that it would not really coincide. [REDACTED] agreed that the amount should be put towards the total amount of contributions owed by the employer. [REDACTED] advised that an employer cannot remit contributions on behalf of a single employee only and expect to have benefits paid to that individual. No medical benefits can be paid until all the owed employer contributions are received in full.

3. The check should have come in with a remittance report from the employer explaining the amount of the check (\$189.36).

[REDACTED] advised that the deposit of \$189.36 in the trust fund should be reflected in the employer eligibility reports or activity reports. [REDACTED] stated that benefits should not have been paid to [REDACTED] a past employee of

183-8132-17

MI 183A-580
MI 156A-34

Continuation of interview of [REDACTED]

, Page 3*

SALLY'S STEAK HOUSE, because SALLY'S was obviously not a true contributing employer to the Health and Welfare trust fund. [REDACTED] agreed that [REDACTED] could have received the questionable check, deposited it in the trust fund account, and authorized [REDACTED] to make payments on [REDACTED] medical claims. According to SPORAA, [REDACTED] took over [REDACTED] position as administrative assistant when [REDACTED] left. In this regard, [REDACTED] was a new employee and could have mistakenly authorized the payments. However, [REDACTED] did note that [REDACTED] did have previous experience regarding trust funds, even though she was new at First Benefit Administrators. [REDACTED] questioned how the check was received by First Benefit and indicated that perhaps [REDACTED] had become aware of a contribution through the union and relayed the information to [REDACTED] at First Benefit which eventually caused the payments to be made. [REDACTED] advised that she would only be guessing as to how the check was received and noted that she was not in a position to be aware of activities or conversations at the union office. [REDACTED] indicated that for a short period of time, [REDACTED] at First Benefit and would have been [REDACTED] left in January of 1985, and went to work for LEE JOST & ASSOCIATES in Milwaukee. [REDACTED] residing in [REDACTED] Wisconsin.

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[REDACTED] advised she has never spoken with [REDACTED] regarding SALLY'S STEAK HOUSE or [REDACTED] has never come to First Benefit's office except for trustees' meetings.

In terms of background, [REDACTED] advised that she was previously employed as a teacher. [REDACTED] also had worked for PIZZINO'S RESTAURANT previously located at 1601 North Jackson Street, Milwaukee. [REDACTED] was acquainted with [REDACTED] and she worked at the restaurant as a bookkeeper, even though she did not have an accounting background. Because of this fact, [REDACTED] advised [REDACTED] that he should hire an accountant and she left the restaurant. [REDACTED] recalled that [REDACTED] was a member of the Teamster's Union. [REDACTED] noted that she has not seen [REDACTED] for a long time and does not know his current whereabouts.

FEDERAL BUREAU OF INVESTIGATION

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Date of transcription 10/21/86

[redacted]
Milwaukee, Wisconsin, after being informed of the identity of the interviewing agents and the nature of the interview, voluntarily furnished the following information:

[redacted] is currently employed by TIMOTHY CLARK AND ASSOCIATES (TCA), an insurance firm which is located in Butler, Wisconsin. She has been working for TCA for approximately two weeks. In this capacity, she handles the billing for disability and pension benefits for Local 122 union members (HOTEL, MOTEL, RESTAURANT EMPLOYEES AND BARTENDERS UNION). [redacted] works directly out of the Local 122 union office in Milwaukee. [redacted] advised that the new fund administrator for the Local 122 Health and Welfare Fund is FRANK B. HALL CONSULTING CO., 330 East Kilbourn Avenue, Milwaukee. Medical claim forms for union members are handled directly through PRIMECARE HEALTH PLAN OF WISCONSIN, INC., 1233 North Mayfair Road, Milwaukee. This new plan does offer coverage for union member's dependants for an additional cost. This extended coverage had not previously been offered.

[redacted] indicated that she has worked in the insurance field for several years, and that she had handled the medical claim forms and the issuance of medical payments at the time that the Local 122 Health and Welfare Fund was self-insured. During most of that time period, the fund administrator was FIRST BENEFIT ADMINISTRATORS. [redacted] job during this time was to determine eligibility for union members to receive medical benefits. This was accomplished by referring to copies of Health and Welfare eligibility reports. As [redacted] worked out of the union office, there would always be easy access to membership information. After [redacted] determined proper eligibility, the medical payments would be authorized by [redacted] at FIRST BENEFIT ADMINISTRATORS. The benefit checks were later endorsed by [redacted] of FIRST BENEFIT. The checks would be consequently spit out by a computer.

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[redacted] advised that union members are eligible for medical benefits under the following circumstances: The individual must be a dues paying member of the union, and the employer must contribute to Union Health and Welfare Fund on behalf of that individual. [redacted] recalled that occasionally, medical benefits could be issued

Investigation on 10/16/86 at Milwaukee, Wisconsin File # MI 183B-580 - 610

by SA
SA

/cc

Date dictated 10/21/86

MI 183B-580

Continuation of interview of _____

, Page 2*

for an union member without an employer's contribution. However, this would only be authorized if the employer agreed to pay the back contributions in writing. In this regard, _____ would sometimes have to telephone the employer in order to submit delinquent contributions.

_____ advised that normally there were no problems and she was unable to recollect difficulties with any specific employers to include SALLY'S STEAK HOUSE. _____ indicated that she did not know whether or not SALLY'S STEAK HOUSE was making contributions, since she was not responsible for obtaining the contributions from employees. _____ advised that she was not aware of any special circumstances involving any employers. To her knowledge, no accounts or medical claims were handled in a different manner by any union officials, such as _____

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At the termination of the interview, _____ was served with a copy of a Federal Grand Jury subpoena requiring her to appear before the Grand Jury on _____. The document was explained to _____ and she indicated that she understood the requirements of the subpoena. Special Agent (SA) _____ gave _____ a business card.

FEDERAL BUREAU OF INVESTIGATION

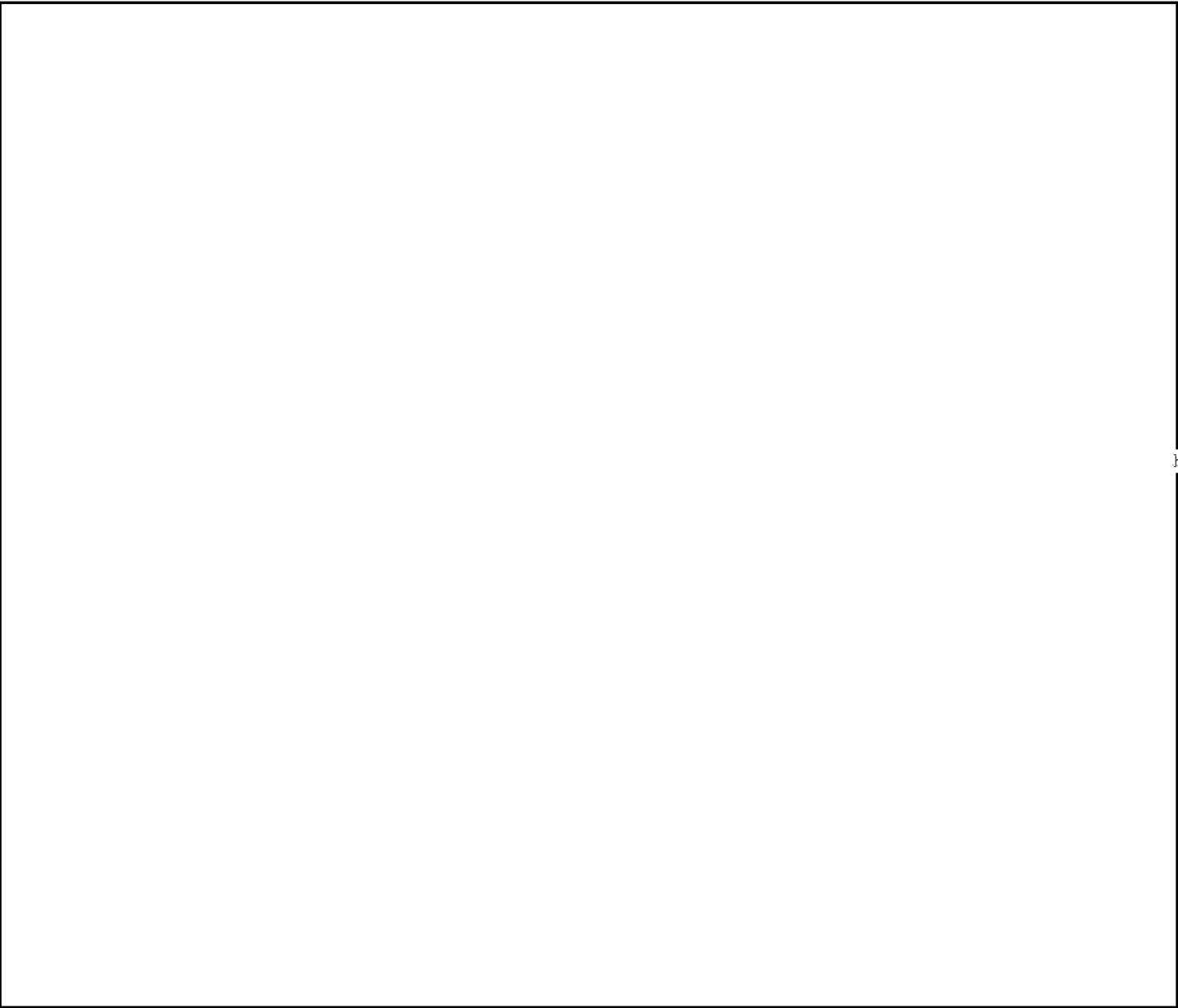
Date of transcription 6/5/87

Special Agent (SA) [redacted] Office of Labor
Racketeering, Department of Labor, and SA [redacted]
reviewed [redacted]
[redacted] and were
obtained pursuant to a Federal Grand Jury subpoena. [redacted]
[redacted] were originals and appeared to be complete.
however, [redacted]
[redacted]

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b7CInvestigation on 5/27/87 at Milwaukee, Wisconsin File # MI 183A-580-852by SA [redacted] ²⁴psr Date dictated 5/27/87

This document contains neither recommendations nor conclusions of the FBI. It is the property of the FBI and is loaned to your agency;
it and its contents are not to be distributed outside your agency.

MI 183A-580



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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/22/87

The following information was obtained from original documents taken pursuant to a search warrant which was executed on the Hotel Employees, Restaurant Employees (HERE), Local 122, union office on August 20, 1986. These documents include bills itemizing [redacted] and were located in a file folder labeled [redacted] Sallies, Milwaukee Hotel, Health, and Welfare Fund". The folder was maintained in an area of Local 122 union's office which was utilized by First Benefit Administrators. First Benefit was acting as the Milwaukee Hotel Industry's Health and Welfare Fund administrator and therefore held the responsibility of handling health claims and billing records. The contents of this folder are briefly summarized for the purposes of reference to this file:

One billing statement addressed to [redacted] [redacted] dated December 3, 1984, for services provided to [redacted] at St. Mary's Hospital, Milwaukee, on November 5, 1984. The balance due totaled \$325.00. This bill was stamped as being received by First Benefit Administrators on April 29, 1985, payment to be remitted to [redacted] [redacted] Milwaukee, Wisconsin. A yellow note paper attached to above billing reflects the following: \$325.00 @ 70%, date November 14, 1985, amount \$325.00 pr, batch number B26712, amount noted at bottom of slip \$227.50.

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One billing statement from Columbia Hospital, Milwaukee, addressed to [redacted] with a date of service November 4, 1984 and November 5, 1984. The balance due is noted as \$183.00 and stamped paid March 13, 1985. The yellow note paper attached to above billing statement notes \$183.00 @ 100%, dated November 13, 1985, amount \$183.00 pr, batch number B26555.

One billing statement from St. Mary's Hospital, Milwaukee, addressed to [redacted] patient number [redacted]

Investigation on 5/18/87 at Milwaukee, Wisconsin File # MI 183A-580
MI 156A-34-274

by

mm
SA [redacted]

lmd

Date dictated 5/18/87

MI 183A-580

MI 156A-34

Continuation of interview of Documents obtained from search warrant on HERE, Local 122 Page 2

for services provided to [] on November 13, 1984, and November 14, 1984. The amount due is reflected as \$402.95. Stamped on the front of the bill (as on previous yellow note papers) is date, amount, batch number, and claim number. The date is noted as November 13, 1985, the amount is \$310.57, and the batch number is B26552. No claim number is noted.

One packet of billing statements from St. Mary's Hospital, addressed to [] patient number [] with a forwarded balance of \$183.63. The admission date is noted as November 8, 1984. An authorization/assignment of benefits form, dated November 8, 1984, is attached and indicates that [] had no insurance benefits and would self-pay medical expenses. This form was stamped by First Benefits Administrators, Incorporated, as being received on May 7, 1985. [] signed this form, however, there is no date for time of signature. A second attached form, entitled "Wisconsin Hospital Claim Form", with an admission date of February 5, 1985, reflects that []'s insurance coverage would be through Milwaukee Hotel Industry, Health and Welfare Fund, Local 122. The effective date of insurance is noted as October, 1984. This form is also stamped as being received by First Benefit Administrators, Incorporated, on May 7, 1985. [] signed this form on April 26, 1985. Stapled to the packet is a yellow note paper with the following handwritten notations:

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\$108.05	
\$ 16.22	
\$124.27	total charges
- \$ 53.78	
\$ 70.49	@ 70% = \$49.34

On the lower right-hand corner is the note \$49.34. Stamped on the front of the top billing statement is date, amount, batch number, and claim number. The date is noted to be November 13, 1985, amount \$31.84 pr, batch number B26535, no claim number is noted.

One copy of a previous billing statement from St. Mary's Hospital, Milwaukee, addressed to [] for services provided to [] on November 13, 1984, and November 14, 1984, in the amount of \$375.91. A yellow slip of paper attached to the above billing has the notation \$375.91 @ 100%, noted on the bottom \$375.91. Stamped on the front billing statement is date, amount, batch number, and claim number. The date noted is November 14, 1985, the amount \$375.91 pr, batch number B26596, no claim number noted.

Continuation of interview of Documents obtained from search warrant on HERE, Local 122, Page

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One billing statement from St. Mary's Hospital, addressed to [redacted] patient number [redacted] for services provided to [redacted] on April 8, 1985, and April 9, 1985. The total of current charges is \$21.22, however, the amount to pay is \$0.00. Attached to the billing statement is a yellow note paper with the following handwritten notation:

\$ 21.22	
\$100.00	deductible
\$ 78.78	remaining deductible

Notation on bottom of yellow note paper Ø. Stamped on the front of billing statement is the date November 13, 1985, amount, app. to ded., batch number B26534.

One signed copy of St. Mary's Hospital outpatient registration form for [redacted] with a registration date and time April 8, 1985 @ 14:24. A white printed card attached to the registration card notes [redacted]'s account number as [redacted]

One Health Insurance Claim Form for [redacted] stamped by First Benefit Administrators on May 29, 1985, reflected that on May 28, 1985, [redacted] incurred a \$25.00 medical expense for an intermediate exam. The physician's name is noted as [redacted] [redacted] Milwaukee.

A yellow slip of note paper is attached to the claim form with the following notation:

\$25.00	
\$78.78	
\$53.78	remaining deductible

Also stamped on the yellow note paper is date, November 14, 1985, amount \$25.00 pr, batch number B26713, with a mark of Ø at the lower right-hand corner of the yellow note paper.

One letter from St. Mary's Hospital to the Milwaukee Hotel Industry regarding [redacted] patient number [redacted] dated November 29, 1985, indicating that St. Mary's had received a duplicate payment by the Milwaukee Hotel Industry and was returning a check, dated November 15, 1985. The letter was dated November 29, 1985.

One billing statement from Paratech Ambulance Service, Incorporated, 6471 North Industrial Road, Milwaukee, addressed to [redacted] trip number [redacted] dated November 4, 1984. Stamped on the front of the billing statement is date, November 13, 1985, amount \$111.00 PA, batch number B26556. Attached to the statement

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MI 156A-34

Continuation of interview of Documents obtained from search warrant on HERE, Local 122

4

is a yellow note paper with the following notation:

\$36.70 @ 70% = \$25.69
\$74.30 @ 100% = \$74.30

Notation on lower right-hand corner \$99.99

One packet of medical billing forms to include a green inpatient admission form from the business office of St. Mary's Hospital. This form indicates that [] would be admitted on November 13, 1984. The form indicates that []'s insurance plan is V31 Clinic-self-pay. However, Health and Welfare Fund is typed in and a stamp of First Benefit Administrators, Incorporated reflects that the admission form was received January 24, 1985. This form is signed by [] and dated November 13, 1984.

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On the front of the form is the following handwritten notation, "Should be covered from October on not on remit holding for follow-up". The attached white card notes that []'s account number []. There is an attached bill for \$402.95 which had previously been billed and has already been noted for services provided to [] on November 13-14, 1984. A second inpatient admission form showing an admission date of November 5, 1984, and signed by [] on November 5, 1984. The attached white card notes []'s account number as []. The attached bill indicates an amount due of \$2,567.81 for services provided to [] on November 5-8, 1984.

One packet of medical billing forms which is for []'s admission date of November 5, 1984, through November 8, 1984. This is a reitemization of the above bill for medical services totaling \$2,567.81. This billing statement was stamped that it was received by First Benefit Administrators, Incorporated on May 7, 1985. Stamped on the front of the statement is date, amount, batch number, claim number. Notations are date November 13, 1985, amount \$1,797.47 pr, batch number B26549, no claim number noted.

A handwritten notation on the statement is not on remit and is circled. This appears to be a carbon copy. Two white cards are attached which indicate that []'s account number is []. A yellow note paper is attached with the following handwritten notations:

\$ 624.00 room and board
\$1,943.81 miscellaneous
\$2,567.81 @ 70%

Notation on lower right-hand corner \$1,797.46. Also attached is two copies of the inpatient admission forms previously noted.

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MI 156A-34

Continuation of interview of Documents obtained from search warrant on HERE, Local 122 5*

A white account card lists account number for [] as []

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All yellow note slips of paper noted in this communication have the following printing on the back side: "From the desk of

[]
The total amount of expenses incurred by [] during the above period of time is \$4,195.52.

The total amount of medical expenses which were paid by the Milwaukee Hotel Industry, Local 122, Health and Welfare Fund on behalf of [] are \$3,211.62.

It is noted here that this amount was calculated from the handwritten notations taken from the yellow note slips attached to several of the billing statements. Therefore, the amount may not be exact and is an assumption of the amount paid out by the fund. Deductibles are considered in the amount. Also, it appears that only 70% of the full amount was covered by the Local 122's insurance plan.

FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 11/24/86

The following documents were obtained from [redacted]
[redacted] Milwaukee:

These records were provided to Special Agent (SA) [redacted]
[redacted] on November 13, 1986 pursuant to a Federal Grand Jury
Subpoena served [redacted] on
October 20, 1986. These records were reviewed and the following
information was obtained:

A. [redacted]

[redacted] Attached
to this copy is [redacted] and indicating
same basic information concerning [redacted] The date of service
is [redacted]

B. [redacted]

[redacted] The attached worksheet with matching [redacted] reflects
the date of [redacted]

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C. [redacted]

The attached worksheet with [redacted]

D. [redacted]

Investigation on 11/20/86 at Milwaukee, Wisconsin File # MI 156A-34 (2 copies)
MI 183A-580(1 copy)
by SA [redacted] /cc [redacted] Date dictated 11/21/86

MI 156A-34

Continuation of interview of _____

, Page 2

attached worksheet with _____ reflects date of _____

F. _____

The corresponding worksheet reflects _____

F. _____

The corresponding worksheet reflects _____

G. _____

The corresponding worksheet reflects _____

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H. _____

The corresponding worksheet reflects _____

I. _____

The corresponding worksheet reflects _____

All the above worksheets indicate _____

tacted for questions _____
reflects _____

can be con-

The worksheet

MI '156A-34

Continuation of interview of

[Redacted]

Page 3*

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[Redacted]

FEDERAL BUREAU OF INVESTIGATION

2/11/87

Date of transcription

The following information was obtained from a review of the minutes of meetings of trustees of the Milwaukee Hotel Industry, Health and Welfare Fund. Copies of these minutes were obtained from [redacted] on January 5, 1987, and cover the periods April 29, 1982 through May 21, 1986. There are 18 sets of minutes of meetings which were provided, and occur on various dates. Pertinent details obtained from the review of these minutes are summarized as follows:

The minutes dated January 25, 1983, indicate that self-funding was effective February 1, 1983. This gave the fund administrator the responsibility for opening a claim checking account, and provide aggregate stop-loss insurance.

The minutes dated March 3, 1983, indicate that the fund administrator can allow one signature on all checks up to the amount of \$3,000. Two signatures are required on all checks issued over the amount of \$3,000. All claims in excess of \$5,000 need to be reviewed by the Appeal Committee.

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The minutes dated August 1, 1984, reflect that First Administrators will hold the position of Administrative Manager for the fund.

The minutes dated April 25, 1985, reflect that [redacted] will hold the position of [redacted]. He will be responsible for reviewing all available Health Maintenance Organizations that may be in the position to provide health insurance for the fund. [redacted] was directed to have [redacted] request insurance information from the following Health Maintenance Organizations (HMO's): COMPCARE, FAMILY PLAN, MAXICARE, GOOD SAMARITAN, and PRIME CARE.

The minutes dated June 13, 1983, reflect that [redacted] is part of the committee to authorize and execute investment functions, and to follow with a report at subsequent trustee meetings. [redacted] advised that SALLY's STEAK HOUSE in Milwaukee, Wisconsin, did not respond to a letter requesting a possible date to perform a payroll audit. Efforts to obtain a date were unsuccessful. The trustees authorized [redacted] to contact SALLY's

Investigation on 2/3/87 at Milwaukee, Wisconsin File # MI 156A-34
MI 183A-580
by SA [redacted] /kal Date dictated 2/9/87

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MI 183A-580

Continuation of Interview of _____ Review of Meetings of Trustees _____, Page 2

STEAK HOUSE and assist the administrator in obtaining a date to perform this payroll audit.

The administrator advised the trustees that the audit work papers had been obtained from the PFISTER HOTEL, in Milwaukee, Wisconsin, and these papers had reflected \$11,000 which was due from the PFISTER in back health and welfare contributions.

The minutes dated March 8, 1984, reflected that another meeting was scheduled for Tuesday, March 27, 1984, however, the minutes from this March 27th, meeting were not provided.

The minutes dated September 24, 1984, reflect that several appeals were being considered. The first appeal was [redacted] In discussing [redacted]'s appeal, the trustees determined that three months of temporary coverage could be provided on a self-pay basis. This money would need to be authorized and collected in advance. During a discussion of an appeal for [redacted] it was determined that nine months of self-payments would be authorized. [redacted] was employed at the MARC PLAZA HOTEL in Milwaukee, Wisconsin. In addition to these two appeals, there was also an appeal for [redacted] During this meeting [redacted] was requested to review the minutes of previous meetings and the collective bargaining agreements to determine the procedure for billing damages and interest to delinquent employers. There was also a notation in these minutes that the WEST ALLIS INN was going through a bankruptcy procedure.

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The minutes dated July 10, 1985, reflect that an auditors' report was reviewed. The auditor was noted to be [redacted] The audit was for the period ending April 30, 1985, and it reflected a deficit in the fund balance of \$43,098.09. The amount assumed a reserve fund of \$138,000 for a specific health claim by [redacted] After discussion, it was determined that the \$100,000 lifetime maximum benefit would reduce the fund's liability for the [redacted] claim, and reduce the deficit fund balance to approximately \$5,000. During this meeting the fund administrator was directed to pay the [redacted] claim.

The minutes dated August 15, 1985, reflected a review of outstanding unpaid claims prior to July 1, 1985. This liability represents \$204,469.16 of which \$165,461 represents hospital billing. During this meeting a question of eligibility status came up on [redacted] The trustees discussed overpayments which were

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MI 183A-580

Continuation of interview of Review of Meetings of Trustees, Page 3

made to Third Party Administrator (TPA) by the health and welfare fund. The trustees were negotiating this payment with attorneys.

The minutes dated August 26, 1985, reflect that the PARK EAST had been delinquent in their monthly remittances. During this meeting the trustees directed [] to contact [] PARK EAST HOTEL, regarding these payments. At this meeting the trustees also discussed certain Racine, Wisconsin, employers who were not willing to pay additional premiums. These employers would need alternative insurance coverage, as PRIME CARE, the current insurance carrier, would not have sufficient physicians in the Racine area. The trustees decided that a pooled option for health care would be available for the three Racine employers; CANTEEN, WIMPYS, SERVOMATION, effective July 1, 1985. They discussed the method of payment for the MILWAUKEE COUNTY COMPLEX HOSPITAL, and FROEDTERT HOSPITAL. They decided that they could only pay \$.50 on a \$1.00 owed. Trustees also discussed talking to [] as he had a "claim" against the fund.

The minutes dated September 20, 1985, reflect that [] is the same as NORTON AND ASSOCIATES. [] had incurred a substantial liability for the pension fund. Apparently, the trustees were attempting to regain the owed monies from [] was being represented by the law firm DUBIN, BALISTRERI, AND FUCHS. The trustees also discussed the amount of eligible participants in the health and welfare fund. Effective July 1, 1985, there were 1,219 eligible participants.

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The minutes dated October 23, 1985, indicate that [] advised that the health and welfare fund was insolvent, and would be that way for a period of time. The auditors which are RITZ, HOLMAN, BUTLA, FINE AND COMPANY, would be designated to fund insolvency matters. During the meeting, [] then addressed the matter of the Racine facilities. He indicated that [] who was the union representative in that area, had not responded to his letters and phone calls. [] discussed the fee to be paid by Prime Care of \$1.00 per eligible participant, per month, which would help defray the cost of keeping a First Benefit Administrators, Inc. employee in the fund office to handle member relations. During this meeting [] suggested that []'s claim be negotiated with all other outstanding claims from the MILWAUKEE COUNTY and FROEDTERT HOSPITALS.

The minutes dated November 8, 1985, reflect that the total loss to the health and welfare fund was \$22,699 and could be as high as \$25,310. In addition, outstanding large claims totaled

MI 156A-34
MI 183A-580

Continuation of interview of Review of Meetings of Trustees, Page 4

\$191,900. The large claims were itemized as follows:



\$48,400
\$97,000
\$32,800
\$13,700

During this meeting, [redacted] advised the trustees that the accounts receivable were only estimated, because of the outstanding employer contributions. [redacted] expressed his concern regarding the Racine facilities and the fund's potential liability. The outstanding Racine contributions total over \$2,600. The administrative manager advised the trustees that the Racine local had sent a remittance form showing the local as the employer, and paying for coverage for a WIMPY's employee. The trustee directed the administrative manager to return the remittance and the check to the Racine Local as the payment was unacceptable. The trustees discussed regulations involving employer delinquencies. They indicated that two months of benefits could be provided if a contributing employer becomes less than two months in arrears. The labor contract calls for payment of contributions by the latter by the 25th of the month, or 15 days after receipt of remittance billing, and an interest rate of 1½% per month can be assessed. The trustees advised at the end of this meeting that they would schedule another meeting for December 9, 1985, however, the minutes for the December 9th meeting were not provided.

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Minutes dated May 21, 1986, reflect the resignation of

[redacted] The new trustees would be [redacted]
[redacted] During this meeting, [redacted]
[redacted] For PRIME CARE, a Health Maintenance Organization (HMO). [redacted] indicated that he would abstain from voting on any actions of PRIME CARE by the health and welfare fund. Also discussed during this meeting was the net worth of HERITAGE HEALTH SYSTEMS. HERITAGE HEALTH SYSTEMS owns two HMO's to include PRIME CARE. Their net worth is estimated to be \$100,000,000. [redacted] assured the other trustees that [redacted] an employee of FBA, INC. is only an employee of the fund administrator, and does not perform any work related to union business at Local 122. Procedures for employer delinquencies was formulated at this meeting. It was indicated in these procedures that non-payment of employer contributions should be referred to legal counsel for collection of the debt.

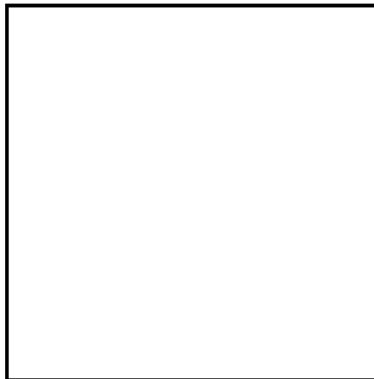
Minutes dated December 13, 1985, reflected that another meeting was to be scheduled for Tuesday, January 14, 1986, however, minutes for the January 14th meeting were not provided.

1

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 10/2/86

The following information was obtained from [redacted]

[redacted] These records were
obtained pursuant to a Grand Jury subpoena dated [redacted]b3
b6
b7cThese records were examined in order to [redacted]
[redacted]
[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

[redacted]

Investigation on 9/24/86 at Milwaukee, Wisconsin File # MI 183A-580-579
MI 156A-34

by SA [redacted]

bjr

Date dictated 9/24/86

MI 183A-580 and MI 156A-34

Continuation of interview of , Page 2

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/30/87

The following information was obtained from a review of several documents which relate to the eligibility rules regarding the MILWAUKEE HOTEL INDUSTRY HEALTH AND WELFARE FUND-LOCAL 122. The eligibility information covers the period of time that [REDACTED] SALLY'S STEAK HOUSE, Milwaukee) incurred medical expenses and received benefits through the union's trust fund. The purpose of this report is to summarize pertinent information relating to union health insurance and benefits.

1. A pamphlet, entitled "Milwaukee Hotel Industry Health and Welfare Fund Group Benefit Plan" obtained from [REDACTED]

According to this document, the effective date would appear to be February 1, 1984. The date is reflected on page one with the statement "As of February 1, 1984, the trustees of this plan are...". In terms of employee eligibility, a full-time employee (considered to be an employee working three or more days per week) is eligible for benefits on the first day of the month following completion of six months continuous active employment with a contributing employer.

Part-time employees are eligible for death benefits only. However, part-time employees can make self-contributions in order to obtain eligibility for health insurance. Coverage of full-time employees begins on the day that employee becomes eligible and is actively at work. Coverage ends at midnight on the earliest of the day the plan ends; the day any premium for the employee's coverage is due and unpaid; the day before the employee enters the Armed Forces on active duty and the last day of the plan month in which the employee is no longer eligible under the plan. If the individual is eligible because of their employment, that employee will no longer be eligible when the employee resigns or retires; goes on leave of absence or on strike; is dismissed, disabled, suspended, laid-off, locked out or is not working because of work stoppage; is no longer in an eligible class or does not satisfy the requirements for hours worked; or any other eligibility conditions in the policy.

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Investigation on 9/24/87 at Milwaukee, Wisconsin File # MI 183A-580
MI 156A-34 -3/2
by SA [REDACTED] bjr Date dictated 9/24/87

MI 183A-580
MI 156A-34

Continuation of interview of REVIEW OF LOCAL 122 HEALTH & WELFARE FUND ELIGIBILITY, Page 2

The section entitled delinquency states that an employee's coverage does not end due to the contributing employer's delinquency as determined by the Trustees. The Trustees will not provide benefits for the employee if the contributing employer is more than two months in arrears; however, they will provide benefits when the contributing employer is less than two months in arrears. A member who has become ineligible for any reason may elect to continue health coverage for up to 12 months by making self premium payments to the Plan Administrator throughout the period of continued coverage.

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The above pamphlet as outlined is the best document on eligibility. Other documents were obtained but do not indicate effective dates which would coincide with the time period of [redacted] incurred medical expenses.

2. The 1982-1985 Hotel Agreement, signed by SALLY A. PAPIA and obtained from the office of Local 122.

According to Article XI, entitled "Insurance" of the above document, the employer, SALLY'S STEAK HOUSE, agrees to the following regarding union health insurance:

Section 1. By the execution of this agreement, the employer authorizes the GREATER MILWAUKEE HOTEL-MOTEL ASSOCIATION to continue in effect, appropriate trust agreements for the administration of the MILWAUKEE HOTEL INDUSTRY HEALTH AND WELFARE TRUST FUND and to designate employer trustees under such agreements, hereby waiving all notice thereof and ratifying all actions to be taken by such trustees within the scope of their authority. The selection of insurance carrier(s) shall be made by the trustees (or by the individual employer in the case of employers not participating in the Trust).

Section 2. Health and Welfare Benefits shall be maintained at the benefit levels in effect on June 15, 1982, except as modified by the Trustees under Section 6 of this Article.

Section 3. The Employer agrees to contribute to the account of the Trustees of MILWAUKEE HOTEL INDUSTRY HEALTH AND WELFARE TRUST FUND at the BANK OF COMMERCE, Milwaukee, Wisconsin, the sum of Thirty-one and 56/100 Dollars (\$31.56) per month for each employee covered by this agreement who meets the following eligibility requirements:

1. Six months of service with any employer in the hotel and restaurant industry in Milwaukee County. After an employee has once served six months

MI 183A-580
MI 156A-34

Continuation of interview of REVIEW OF LOCAL 122 HEALTH & WELFARE FUND ELIGIBILITY, Page 3

with any such employer, he shall thereafter be eligible to have contributions made to the fund on his behalf by his current employer in accordance with the eligibility rules of the fund.

2. Employment regularly three or more days a week with an employer ^{who} is a party to this agreement.

Section 4. The employer shall continue to make the above contributions of \$31.56 per month for sick employees for a period of one year from the time the employee becomes disabled by said sickness, provided such employee furnishes satisfactory evidence of such disability.

Section 5. Further, employer contributions shall be increased as may be necessary to maintain insurance benefits at the levels prescribed herein and trust reserves equal to three months' insurance premiums.

Section 6. The Trustees may modify benefits provided that the total cost of benefits to the Trust Fund measured in insurance premiums shall not exceed:

First year of contract - \$51.00/employee per month
Second year of contract- \$53.00/employee per month
Third year of cotract - \$55.00/employee per month

The order of priority for any benefit improvements shall be
(1) Major medical and (2) reduction in Employee co-pay requirement for in-hospital expenses.

According to Article XIV, entitled "General and Administrative", the following additional information is noted regarding the Health and Welfare Fund:

Section 1. Payments to the Health and Welfare and Pension Funds shall be made by the later of the 25th day of each month or 15 days after the employer receives the monthly statement. Payment not made by such date will be considered delinquent.

In the event the employer becomes delinquent in its payments to the Health and Welfare and/or Pension Fund, the employer shall be assessed and required to pay interest at the rate of one and one-half percent per month on the unpaid and delinquent balance owed. In the event that the Trustees refer any delinquency to legal counsel for collection, then the employer shall be obligated to pay, in addition to such interest charges, reasonable attorneys' fees and any other costs and expenses reasonably arising in connection with any collection action.

MI 183A-580
MI 156A-34

Continuation of interview of REVIEW OF LOCAL 122 HEALTH & WELFARE FUND ELIGIBILITY, Page 4*

3. The trust instrument for the MILWAUKEE HOTEL INDUSTRY HEALTH AND WELFARE FUND obtained from FRANK B. HALL CONSULTING COMPANY - the current Fund Administrator.

The trust agreement states that the Trustees have general supervision of the operation of the MILWAUKEE HOTEL INDUSTRY HEALTH AND WELFARE FUND in accordance with the EMPLOYEE RETIREMENT INCOME SECURITY ACT (ERISA) of 1974. A copy of this document is being maintained in the 1A section of this file (MI 183A-580), and is provided for reference in this matter.

The eligibility pamphlet for the Group Benefit Plan and the 1982-1985 Hotel Agreement signed by SALLY A. PAPIA are being maintained in the evidence room of the Milwaukee Federal Bureau of Investigation.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 6/15/87

Special Agent [redacted] reviewed [redacted]
[redacted] for the years [redacted]

[redacted]

pursuant to a Federal Grand Jury subpoena. The information below was obtained from this review.

[redacted]

[redacted]

[redacted]

1. [redacted]

2. [redacted]

3. [redacted]

4. [redacted]

5. [redacted]

6. [redacted]

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Investigation on 6/8/87 at Milwaukee, Wisconsin File # MI 183A-580-546

by SA [redacted] kal Date dictated 6/12/87

MI 183A-580

Continuation of interview of , Page 2

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MI 183A-580

Continuation of interview of

[Redacted]

Page 3

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11.

[Redacted]

12.

[Redacted]

Note:

[Redacted]

[Redacted]

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[Redacted]

2.

[Redacted]

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[Redacted]

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[Redacted]

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[Redacted]

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[Redacted]

11.

[Redacted]

12.

[Redacted]

MI 183A-580

Continuation of interview of

[Redacted]

Page 4*

[Redacted]

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 5/18/87

Special Agent (SA) [redacted] reviewed records
for [redacted]
[redacted] pursuant to a Federal
Grand Jury subpoena and a search warrant. The following in-
formation regarding [redacted]
[redacted]
[redacted] came from this review:

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Investigation on 5/12/87 at Milwaukee, Wisconsin File # MI 183A-580-155

by SA [redacted] bjr Date dictated 5/12/87

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MI 183A-580

Continuation of Interview of

[Redacted]

, Page 2

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MI 183A-580

Continuation of Interview of

[Redacted]

Page 3

[Redacted]

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MI 183A-580

Continuation of Interview of

[Redacted]

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[Redacted]

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MI 183A-580

Continuation of Interview of

[Redacted Name]

, Page 5

[Redacted Interview Content]

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/4/86

The carbon copy of the [redacted]

[redacted] were examined by Special Agent (SA) [redacted]

[redacted] were obtained on July 16, 1986 pursuant to a Federal Grand Jury subpoena served on Local 122.

[redacted] is retained as a record by [redacted]

Markings and writing appear on the carbon copy of [redacted]

ship cards which do not appear on the original (white copy) [redacted]

[redacted] conducted by SA [redacted]

Office of Labor Racketeering, regarding an explanation of some of the markings and writing normally placed on the carbon copy [redacted]

1. [redacted]

2. [redacted]

1. [redacted]

2. [redacted]

1. [redacted]

2. [redacted]

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b7CInvestigation on 10/31/86 at Milwaukee, Wisconsin File # MI 183A-580-647by SA [redacted] meg Date dictated 10/31/86

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MI 183A-580

Continuation of interview of MEMBERSHIP CARDS, Page 2

[Redacted]

1.

2.

[Redacted]

1.

2.

[Redacted]

1.

[Redacted]

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[Redacted]

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[Redacted]

1.

[Large Redacted Area]

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183-8132-17

MI 183A-580

Continuation of interview of MEMBERSHIP CARDS, Page 3

[redacted] cont'd.) 2.

3.

[redacted] 1.

2.

3.

[redacted] 1.

2.

3.

[redacted] 1.

2.

[Large redacted area]

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MI 183A-580

Continuation of interview of MEMBERSHIP CARDS, Page 4

[Redacted]

(cont'd.)

3.

4.

[Redacted]

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/3/86

[redacted]
[redacted]
[redacted]
[redacted] were obtained on [redacted] pursuant to a
Federal Grand Jury subpoena served on HEREIU on [redacted]

[redacted]
[redacted] were reviewed by Special Agent (SA) [redacted]
[redacted]
[redacted]

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Investigation on 10/30/86 at Milwaukee, Wisconsin File # MI 183A-580 -649
by SA [redacted] ^{me}meg Date dictated 10/31/86

MI 183A-580

Continuation of interview of , Page 2

It was noted that behind most of

Several pages of

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For the period of

the following information pertain-
ing to

(An

October 31, 1985 letter

MI 183A-580

Continuation of interview of

[Redacted]

, Page

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[Redacted]

[Redacted]

[Redacted]

[Redacted]

In connection with the review of

[Redacted]

[Redacted]

[Redacted]

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[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

[Redacted]

MI 183A-580

Continuation of interview of

[Redacted]

, Page 4

[Redacted]

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/28/87

Special Agent (SA) [] reviewed the described and attached two typed documents, both titled "Union List". The documents were contained in a folder captioned "Sally's Steak House", 1028 East Juneau, Attn. SALLY PAPIA, 272-5363 (item #14) obtained during execution of a search warrant at Hotel, Motel, Restaurant Employees and Bartenders Union Local 122.

The documents, titled "Union List", list the names of Sally's employees and their job classifications. Document number one also bears handwritten notations. At the top left it states "Add to Sally's check off with we need applications". Nineteen of Sally's employees are listed. The last name, [] was handwritten on the list. Stars appear beside the names of eight of Sally's employees who were Local 122 members prior to June, 1985. Beside each of the nineteen employees named was a handwritten notation indicating what appears to be the employees Local 122 membership status.

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Document number two is the same typed document as described above, however, without any handwritten notations.

(This "Union List" appears to be the list [] is referring to in []'s letter dated August 6, 1985 to PAPIA. This letter stated "Attached is a list of employees who are supposed to be union members, which I received from you. (PAPIA) Why are we being told (on the check-off list) that these people are not union members?" All nineteen of Sally's employees on the above list appeared on the August, 1985 dues check-off statement sent to Sally's on August 6, 1985).

Investigation on 9/21/87 at Milwaukee, Wisconsin File # MI 183A-580 -886
by SA [] /jff Date dictated 9/21/87

Check off
with record applications

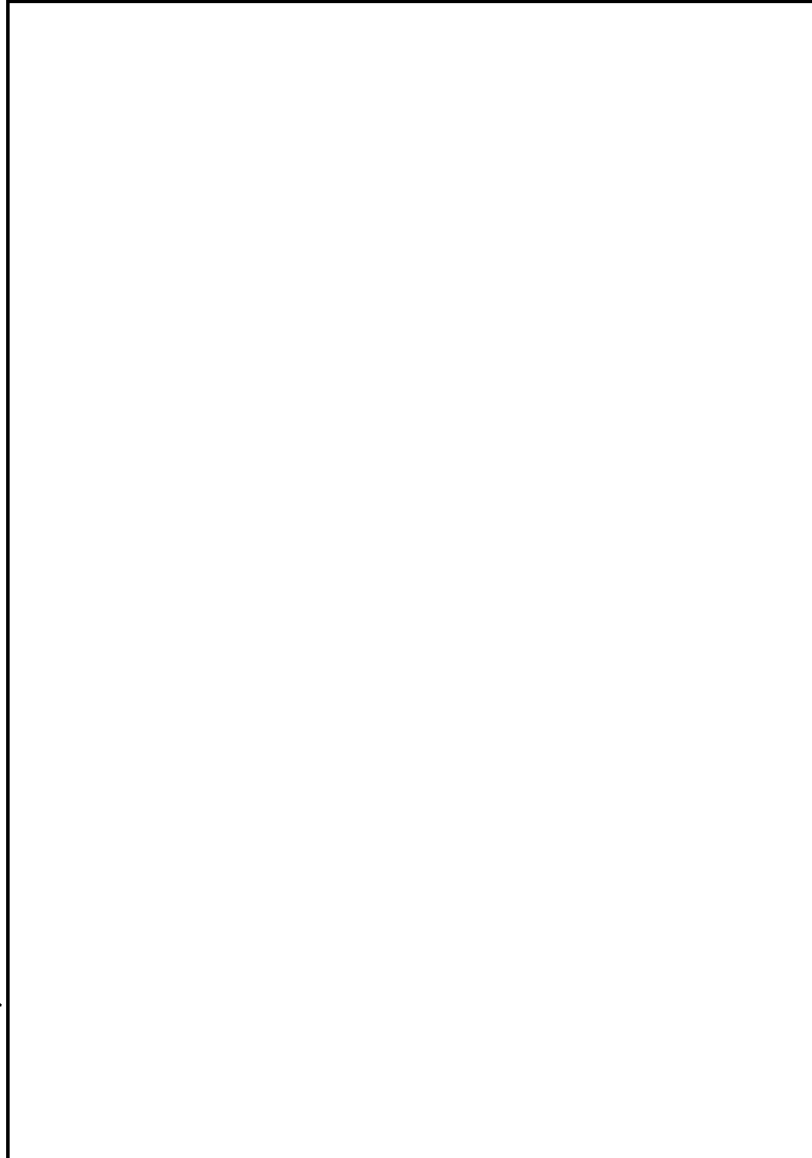
UNION LIST

[REDACTED]	-MEMBER
[REDACTED]	-Suspended, July 1982
[REDACTED]	-NOT MEMBER
[REDACTED]	-MEMBER
[REDACTED]	-NOT MEMBER
[REDACTED]	-NOT MEMBER
[REDACTED]	-NOT MEMBER
[REDACTED]	-MEMBER
[REDACTED]	-NOT MEMBER
[REDACTED]	-NOT MEMBER
[REDACTED]	-MEMBER
[REDACTED]	-MEMBER
[REDACTED]	-MEMBER
[REDACTED]	-MEMBER
[REDACTED]	-NOT MEMBER
[REDACTED]	-NOT MEMBER
[REDACTED]	-Suspended July 1982
[REDACTED]	-Susp June 1979
* [REDACTED]	-Member

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9/14
10/16

UNION LIST



b6
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Handwritten signature/initials

FEDERAL BUREAU OF INVESTIGATION

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Date of transcription 11/6/86Special Agent (SA) [redacted]

[redacted] pursuant to a Federal Grand Jury subpoena. The following information was noted in [redacted]:

[redacted]

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Investigation on 11/3/86 at Milwaukee, Wisconsin File # MI 183A-580 - 56
by SA [redacted] dg Date dictated 11/3/86

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 11/6/86

Special Agent (SA) [] reviewed the 39th General Convention Constitution of the Hotel Employees and Restaurant Employees for information pertaining to membership in the union. The following information was noted:

Article XIII - Membership and Eligibility to Hold Office.

Section 1. General Eligibility Requirements.

Any person of good moral character employed in any employment over which this International Union exercises jurisdiction shall be eligible for membership in this organization.

Section 5. Applications.

Applicants must properly complete and answer all questions on the application blanks furnished by the General Office.

Section 7. Acquiring Membership.

A person eligible for membership working within the jurisdiction of the local union, making application for membership, shall become a member of the local and the International Union upon receipt of the membership application and the dues and fees which may be required. Any member who desires to protest the membership of such person must do so within 30 days of receipt of the application for membership, by filing a protest with the secretary of the local union.

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Investigation on 11/4/86 at Milwaukee, Wisconsin File # MI 183A-580 -451
by SA [] ^{bjr} Date dictated 11/5/86

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/17/87

Special Agent (SA) [redacted] reviewed several

[redacted] These
records were turned over on [redacted] pursuant to a
Federal Grand Jury subpoena.

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b7CInvestigation on 7/6/87 at Milwaukee, Wisconsin File # MI 183A-580-856by SA [redacted] psr Date dictated 7/7/87

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MI 183A-580

Continuation of Interview of _____, Page 2

1.

[Redacted]

[Redacted]

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[Redacted]

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4.

[Redacted]

MI 183A-580

Continuation of interview of , Page 3*

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FEDERAL BUREAU OF INVESTIGATION

1

Date of transcription 9/25/87

Special Agent [] reviewed copies of letter correspondence sent from the Hotel, Motel, Restaurant Employees and Bartenders Union, Local 122 (Local 122) to SALLY'S STEAK HOUSE. Copies of this correspondence were obtained from Local 122 with certain originals of the correspondence also obtained from SALLY'S STEAK HOUSE.

In addition to letter correspondence from Local 122 to SALLY'S STEAK HOUSE, Local 122 also used the monthly dues check-off statement to correspond with SALLY'S.

1. Letter dated October 30, 1984 to SALLY PAPIA from [] gives SALLY thirty days to contact him "to discuss matters of which you are aware".

2. Letter dated March 22, 1985 to SALLY PAPIA from [] Union opening contract with list of demands to be forwarded.

3. Dues check-off statement, dated April, 1985 - "The following people need to fill out and return the enclosed applications. Thanks []"

4. Letter dated April 29, 1985 to SALLY PAPIA from [] Letter indicates a list of employee demands enclosed (not found), and requests a meeting to begin negotiations.

5. (Note May, 1985 letters to PAPIA were from [] at FIRST BENEFIT ADMINISTRATORS.)

6. Letter dated June 28, 1985 to SALLY PAPIA from [] Letter explains fringe benefits and eligibility regarding Prime Care Health Maintenance Organization (HMO).

7. Dues check-off statement - August 1985 - "Please call me if there are any questions concerning this

Investigation on 9/21/87 at Milwaukee, Wisconsin File # MI 183A-580 -900

by SA [] *PK* /kal Date dictated 9/21/87

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MI 183S-580

Continuation of interview of Correspondence from Local 122 , Page 2*

billing. I tried to make it as clear as possible. If you must take out partial payments until the people who owe alot are paid up, that is fine. Thanks [redacted] P.S. These deductions are to be made from employee paychecks and then mailed to this office. If there is not enough in their pay please let me know, and I will bill them directly."

8. Letter dated August 6, 1985 to SALLY PAPIA from [redacted] Letter states, "Attached is a list of employees who are supposed to be union members, which I received from you. Why are we being told (on the check-off list) that these people are not union members."

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9. Letter dated October 24, 1985 to SALLY PAPIA from [redacted] Letter states employees have signed waiver forms dated June 28, 1985 and no longer wish to belong to the union. Issuing refund of dues.

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 12/2/86

Pursuant to a Federal Grand Jury subpoena [redacted]

provided copies of [redacted]
[redacted]
[redacted]b3
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b7CDuring 1984, [redacted]
[redacted]
[redacted]
[redacted]
[redacted]

Investigation on 11/26/86 at Milwaukee, Wisconsin File # MI 183A-580-670
by SA [redacted] meg Date dictated 11/28/86

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/8/86

Pursuant to a search warrant issued on August 20, 1986, at 8:50 a.m., by United States Magistrate ROBERT L. BITTNER, Eastern District of Wisconsin, Special Agents

[redacted] and Special Agent [redacted] of the Office of Labor Racketeering, United States Department of Labor, conducted a search of the premises of the Offices of the Hotel, Motel, Restaurant Employees and Bartenders Union (HERE) Local 122. These offices were located at 231 West Wisconsin Avenue, Milwaukee, Wisconsin, Suite 602.

At 10:37 a.m. Special Agents (SAs) [redacted] entered the reception area of Suite 602 and SA [redacted] identified himself to HERE Local 122 [redacted] was informed that the agents were in possession of a search warrant for the offices of Local 122. SAs [redacted] proceeded to [redacted] office where SA [redacted] gave him a copy of the search warrant, which [redacted] reviewed. [redacted] received a phone call from a person who subsequently identified himself as an attorney from the law firm of GOLDBERG, PREVIANT, VELMAN, GRATZ, MILLER AND BRUEGGEMAN. [redacted] read the description of the items to be searched for from the warrant to the caller, the name of the Magistrate signing the warrant, and stated that agents were present in the office prepared to conduct a search. [redacted] handed the telephone to SA [redacted] who identified himself to the caller who stated that [redacted] was unavailable but that he was an attorney with the GOLDBERG LAW FIRM. SA [redacted] advised that a search was going to be conducted pursuant to a search warrant. The attorney asked if the search could be delayed until some response could be filed. SA [redacted] stated that this was not possible but with the cooperation of his client, the search would be conducted in a manner to minimize interference to the office, and the conversation was terminated.

SA [redacted] explained to [redacted] how the search would be conducted and asked for their cooperation. [redacted] called [redacted] of Local 122, into his office and began telling her what items were being sought under the

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Investigator 8/20/86 Milwaukee, Wisconsin File # MI 183A-580 - 528
SA [redacted] SA [redacted]
SA [redacted] SA [redacted]
SA [redacted] SA [redacted]
SA [redacted] SA [redacted]
(RLT:dg) dictated 8/21/86

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MI 183A-580

Continuation of interview of SEARCH OF HERE LOCAL 122, Page 2*

warrant. [redacted]
[redacted]

[redacted] response was that these items had been turned over earlier in response to the Grand Jury subpoena.

At this point, [redacted] and the Agents exited [redacted] office and met SAs [redacted] who had sketched the premises and determined the procedures for conducting the search. (Sketch is located in a 1A envelope). SAs [redacted] and [redacted] entered the office and the search began.

In addition to [redacted] SA [redacted] observed the following Local 122 personnel on the premises at this time: [redacted] and two other unidentified female office workers.

At approximately 10:55 a.m., SA [redacted] entered the premises along with Support Photographer [redacted]
[redacted]

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SA [redacted] kept the inventory of items seized. SA [redacted] took samples of typing from Local 122 typewriters, SA [redacted] worked with [redacted] in order to locate certain documents and [redacted] took photographs of the area being searched.

All Agents participating in the search initialed and described the location of materials that were seized. A copy of the search inventory is attached. [redacted] again photographed each office area after it was searched.

At the completion of the search, SAs [redacted] and [redacted] provided the search inventory to [redacted] who signed the inventory and was then provided with a copy of it. At 3:00 p.m., all Agents exited the premises.

Local 122 officers' or employees' movements inside the offices were not restricted during the course of the search and several normal business transactions appeared to have been completed while the search was in progress. Both [redacted] remained on the premises throughout the search until approximately 2:30 p.m. [redacted] remained during the entire time and Local 122 [redacted] was observed on the premises during the afternoon.

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released

Page 1 of 5 DM

On (date) August 20, 1986

item(s) listed below were:

- ☒ Received From
☐ Returned To
☐ Released To
☐ Seized

(Name) Hotel, Motel Restaurant Employees and Bartenders Union Local 122
(Street Address) 231 West Wisconsin Ave
(City) Milwaukee, Wisconsin

Description of
Item(s):

- #1 1 1985 American Express Appointment Book taken from [redacted] office file cabinet in corner
- #2 1 yellow file folder labeled [redacted] Sallie's Milw. Hotel Health & Welfare Fund containing 12 documents (some stapled) involving health claims and other related papers taken from First Benefit Administrators area (A) lg. yellow cabinet top drawer.
- #3 1 item labeled premarital listing 3/01/84 taken from [redacted] bottom right hand drawer in Room A
- #4 2 different copies of remittances for pension Fund from Sally's Steak House for Nov and Dec. 1984. Taken from [redacted] bottom right hand drawer in Room A.
- #5 1 item entitled Union Huses taken from file basket in Area C (Reception area). Item was in yellow file folder entitled Union Huses.
- #6 2 items addressed to [redacted] taken from Area A (Security's area) 4th green file cabinet in corner - 2nd drawer.
- #7 1 Local 122 advertisement taken from desk top of [redacted]
- #8 1 1982 black success appointment book taken from lower right desk drawer (bottom) [redacted] desk.

Received by: [redacted]

Received from: [redacted]

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released/Seized

Page 2 of 85^{00M}On (date) Aug. 20, 1986

item(s) listed below were:

- ☒ Received From
☐ Returned To
☐ Released To
☐ Seized

(Name) Hotel, Motel Restaurant Employees and Bartenders Union Local 122.
 (Street Address) 231 West Wisconsin Ave.
 (City) MILWAUKEE, WISCONSIN.

Description of
Item(s):

- #9 1 sketched group of 25 papers involving checkoff of dues statements and other miscellaneous documents taken from Area A (Secretary's) 4th green file cabinet - drawer 3.
- #10 1 yellow file folder entitled Sally's Steak House containing 23 forms entitled Due check-off statements taken from Area A - 4th green file cabinet 3rd drawer.
- #11 1 group of 6 miscellaneous papers taken from 1st file cabinet 2nd drawer in Area A.
- #12 2 copies of receipt ledger pages taken from reception area on shelf.
- #13 7 items entitled organizers weekly report taken from Area D ([redacted]) 4th drawer - file cabinet.
- #14 1 yellow file folder entitled Sally's Steak House containing 1 packet of union green cards, packet of employee benefit sheets, 1 packet of letters from Sally's Steak House indicating union membership, 1 smaller packet of letters from Sally's Steak House indicating people who do not want membership, 1 packet from [redacted] 22 items entitled union check-off dues with some receipts, 1 letter to Sally Papia taken from Area A 2nd green file cabinet 2nd drawer.
- #15 3 letters to Sally Papia from [redacted] taken from Area A - 2nd cabinet drawer 2.

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Received by: [redacted]

Received from: [redacted]

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released

On (date) August 20, 1986

item(s) listed below were:

- ☒ Received From
☐ Returned To
☐ Released To

(Name) Hotel, Motel Restaurant Employees and Bartenders Union Local 122(Street Address) 231 West Wisconsin Ave.(City) Milwaukee, Wisconsin

Description of
Item(s):

- #16 2 account statements from Sally's taken from green cabinet & drawer 4 area A.
- #17 1 packet entitled Cumulative Contractor Contributions begin Feb 1985 - March 1985, April 1985, June 1985, July '85, Aug. '85, Oct '85, Nov '85, Jan. 1986. Taken from Area A - 1st green cabinet, 3rd drawer.
- #18 item entitled defaults as of 8/20/85 for Sally's Steak House taken from Area A - 1st green cabinet - 3rd drawer
- #19 packet entitled Eligibility reports for Milwaukee Hotel Industry, Nov. for months 3/85 - 11/85 and 1/86 taken from Area A 1st green cabinet 3rd drawer.
- #20 packet of monthly employee activities journal for months 3/85, 4/85, 6/85, 7/85, 10/85. Taken from Area A 1st green cabinet 3rd drawer.
- #21 packet entitled total Applications as of 7/31/85: 662 taken from Area A first cabinet 3rd drawer.
- #22 yellow file folder entitled Record of Checkoff lists containing 21 Checkoff payment forms for 1/85 - Sept 1986 and 4 bank payment forms taken from Dep center desk drawer of vice president, Area C.

Received by:

Received from:

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released

On (date) Aug. 20, 1986

item(s) listed below were:

- ☒ Received From
☐ Returned To
☐ Released To

(Name) Hotel, Motel Restaurant Employees and Bartenders Union Local 122(Street Address) 231 West Wisconsin Ave.(City) Milwaukee, Wisconsin

Description of
Item(s):

#23 1 item entitled 1982-1983 Hotel Agreement
for Sally's Steak House provided by [redacted]
out of Area A.

#24 packet of 13 ^{current} green cards provided by [redacted]

#25 yellow file folder entitled Sally's Steak House
containing 10 months of 1984 check off union
statement forms (missing Oct. & Dec.) and 1
sample form taken from Area A provided
by [redacted]

* #26 yellow file folder labeled Sally's Steak House
containing 18 miscellaneous contracts, drafts,
health and welfare notices including 7/29/85
packet re [redacted] and envelope
with delinquency notice and computer printout
dated 3/1/86 from Sally's Steak House provided by
[redacted]

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#27 yellow file folder labeled Sally's Steak House
containing 19 dues check off statements with
some attached receipts for '85 and '86 taken
from Area A ^{South} with wall old green file cabinet
2nd drawer.

#28 8 suspended green cards provided by [redacted]

#29 2 business checks #1453 & 1465 provided by [redacted]

Received by: [redacted]

293

Received from: [redacted]

UNITED STATES DEPARTMENT OF JUSTICE
FEDERAL BUREAU OF INVESTIGATION
Receipt for Property Received/Returned/Released

On (date) Aug. 20, 1986

Item(s) listed below were:

☒ Received From☐ Returned To☐ Released To

(Name) Hotel, Motel Restaurant Employees and Bartenders Union Local 12
(Street Address) 231 West Wisconsin Ave
(City) Milwaukee, Wis.

Description of Item(s):

- #30 3 check-off payments for the months of Oct, Nov, and Dec 1984 taken from bottom drawer of Right green file cabinet - South wall Area A.
- #31 1 page list Sally's employees taken from bottom left drawer - South wall green cabinets - Area A.
- #32 1 letter from Third Party Administrator dated 7/29/83 taken from bottom left drawer - South wall green cabinets - Area A.
- #33 2 pages from 1986 appointment book taken from Area A Top of credenza on East wall next to file cabinets.

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Received by:

Received from:

SURVEILLANCE LOG COVER SHEET

SURVEILLANCE OF: [redacted]

DATE/HOURS: 6/28/85

7:45 AM - 1:00 PM

MI FILE # 183A-580 *SUB A*

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SURVEILLANCE AGENTS:

GROUND UNITS:

PR
MI 22 - SA [redacted]

MI 21 *28* SA [redacted]

MI 14 *R* SA [redacted]

(302 RE inside obscur)
(302 RE inside obscur)

PILOTS:

YBS
MI 90 SA [redacted]

DR SA [redacted]

SIGNIFICANT EVENTS:

9:57 AM - [redacted] and [redacted] enter main entrance to Sally's Steakhouse at 1028 E. Juneau.

10:55 AM - [redacted] and [redacted] exit Sally's Restaurant.

11:52 AM - [redacted] and unidentified white male enter Shorecrest Hotel.

Y69754 - W. License Plate, 1984 Dark Blue Mercury Marquis, registered to HREU ¹²² ₁₂₂
18P1 - " " " , 1984 Cadillac, Blue, registered to Sally A. Papia

Sally A. Papia
JAMES R. TEONARO

SURVEILLANCE OF [REDACTED] ON 6/28/85

7:45 AM - Surveillance instituted at [REDACTED]
[REDACTED] Wisconsin, by SA [REDACTED] vehicle,
a 1984 dark blue Mercury Marquis, 4-door, with
Wisconsin plate [REDACTED] parked at above address.

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8:00 AM - MI 90 on station at [REDACTED]
address; [REDACTED] vehicle remains at residence.

8:05 AM - Surveillance instituted at Sally's Steakhouse located
at 1028 East Juneau, Milwaukee, Wisconsin, by
SA [REDACTED]

8:35 AM - [REDACTED] departs [REDACTED] address
driving subject vehicle, going north on [REDACTED]

8:37 AM - Subject vehicle making a left turn on Route 18
westbound.

8:40 AM - Subject vehicle merging onto I-94 going eastbound.

8:43 AM - Subject vehicle continues eastbound on I-94, crossing
Moorland Road.

8:50 AM - Subject vehicle eastbound about ½ mile west of
stadium.

8:53 AM - Subject vehicle exiting I-94 at Civic Center Drive,
headed towards Post Office. Vehicle lost in traffic.

9:03 AM - Subject vehicle not parked in parking spot at 728
North 2nd Street, Milwaukee.

9:05 AM - Dark blue Cadillac with Wisconsin plate ISPI observed
parked in front of main entrance to Sally's
Steakhouse and Knickerbocker Hotel, 1028 East Juneau.
Vehicle parked on north side of street.

9:18 AM - MI 22 confirms license plate number ISPI on blue
Cadillac parked at 1028 East Juneau. (Wisconsin
Department of Motor Vehicles records reflect that
ISPI is registered to Sally A. Papia with an address
of 1028 East Juneau, Milwaukee.)

9:40 AM - Subject vehicle not parked at Shorecrest Hotel.

9:57 AM ^{AS} - Dark blue Mercury observed parking on south side of Juneau. [] and [] walk east on Juneau and enter main entrance to Sally's Steakhouse and the Knickerbocker Hotel.

10:30 AM - MI 21 on station in vicinity of Shorecrest Hotel.

10:48 AM ^{AS} - James R. Jennaro exits from main entrance to Sally's Steakhouse at 1028 East Juneau and walks south and into parking garage of the Lodgewood Apartments at 1121 North Waverly Place.

10:50 AM ^{AS} - A dark colored 4-door Jaguar exits garage at 1121 North Waverly Place and goes south.

10:55 AM ^{AS} - [] and [] exit from main entrance to Sally's Steakhouse and walk west to the Mercury Marquis; both subjects enter vehicle, [] driving.

10:56 AM ^{AS} - Above vehicle pulling out, going east.

10:58 AM ^{AS} - [] vehicle westbound on Kilbourne.

11:00 AM ^{AS} - [] vehicle turning into parking garage at 728 North 2nd Street.

11:04 AM - [] and [] exit garage and cross second street east to west.

11:35 AM - [] and unidentified white male walk into parking garage at 728 North 2nd Street.

11:38 AM - [] vehicle going southbound from garage, makes left turn.

11:42 AM - Subject vehicle going eastbound on Wisconsin Avenue past our office.

11:44 AM - Subject vehicle pulls over at 1345 Astor; [] exits vehicle; unidentified male passenger remains in vehicle.

11:49 AM - [] reenters vehicle and goes eastbound on Astor.

11:51 AM - [] vehicle pulls into south lot beside Shorecrest Hotel located at 1962 North Prospect Avenue, Milwaukee, Wisconsin.

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11:52 AM ~~RA~~ [] and unidentified male exit vehicle and walk north towards hotel.
11:55 AM ~~SA~~ ^{JS} [] enters Shorecrest Hotel building (See FD-302).
12:05 PM ~~SA~~ ^{JS} [] exits Shorecrest Hotel building.
12:10 PM ~~SA~~ ^{JS} [] enters Shorecrest Hotel building (See FD-302).
12:30 PM ~~SA~~ ^{JS} [] exits Shorecrest Hotel building.
12:43 PM ~~SA~~ ^{JS} [] and unidentified white male exit from the entrance to Snug's Restaurant located within the Shorecrest Hotel. Both subjects walk south and enter [] vehicle, [] driving.
12:45 PM ~~SA~~ ^{JS} [] vehicle turns around in parking lot and then goes north on Prospect Avenue.
12:48 PM ~~SA~~ ^{JS} [] vehicle continues going southbound on Farwell Avenue.
12:51 PM ~~SA~~ ^{JS} [] vehicle going westbound on Kilbourne Avenue.
12:55 PM - Subject vehicle enters parking garage at 728 North 2nd Street.
12:58 PM ~~SA~~ ^{JS} [] and unidentified white male exit garage on foot and cross 2nd Street.

1:00 PM - Surveillance terminated.

7/15/85 FBI, Milwaukee WI.
7/15/85 FBI, Milwaukee, WI
7/15/85, FBI, Milwaukee, WI.

SA

7/15/85 FOI Milwaukee, WI
SA FBI Milwaukee, WI 7/15/85

SURVEILLANCE LOG COVER SHEET

SURVEILLANCE OF: [REDACTED]

DATE/HOURS:

8/27/85

7A-3P

MI FILE #

183A-580 Sub A

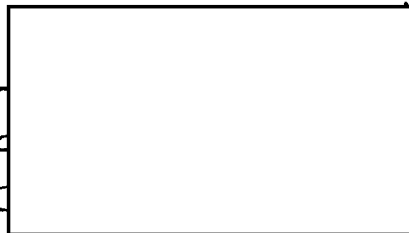
SURVEILLANCE AGENTS:

GROUND UNITS:

MI 29

MI 19

MI 18



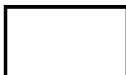
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PILOTS:

MI 50

pl

①



OBSERVED LEAVING RESIDENCE AT 8:55 AM

②

9:15



PARKED IN BRUNNEN BLOT PARKING GARAGE

③

1:00 PM



EXIT GARAGE GOES W. ON WISCONSIN AVE.

SIGNIFICANT EVENTS:

While agent checking Smiley's Joe Bafstine's observed, from north parking lot, entering Smiley's at 1:30 PM and a four se. Jaguar bearing Wisconsin license WT 1663 observed exiting north parking lot at 1:31 PM.
WT 1663 (REGISTRATION STICKER)

OCIS	✓	n
RIA	✓	
E	uy	
NE		

299

183-580 Sub A-10	
SEARCHED	INDEXED
SERIALIZED	FILED
FBI - MILWAUKEE	

#10

SURVEILLANCE LOG COVER SHEET

SURVEILLANCE OF: [REDACTED]

DATE/HOURS:

8/27/85 3:26 PM - 8:55 PM

MI FILE # 183A-580 SBA

SURVEILLANCE AGENTS:

GROUND UNITS:

SA [REDACTED]
SA [REDACTED]

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PILOTS:

① 5:02 PM - [REDACTED] vehicle parked at SNUGS.

② JOE BALISTRERI & [REDACTED] OBSERVED
EXITING SNUGS AND WALKING & TALKING
GOING SOUTH ALONG PROSPECT AVE.

SIGNIFICANT EVENTS:

③ 8:55 PM [REDACTED] vehicle gone from
SNUGS parking lot.

JOSEPH BALISTRERI

[REDACTED]
[REDACTED]

300

OCIS	9
R	[initials]
E	[initials]
N:	

183A 580 SBA-S	
SEARCHED	INDEXED
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FBI - MILWAUKEE	

#11

Surveillance of [redacted] on 8/27/85
3:25 PM SA [redacted] AND [redacted] on duty
3:25 PM SA [redacted] NOT AT AN RESIDENCE, [redacted]
[redacted] WI.

5:02 PM SA [redacted] returns [redacted] vehicle, 4 DR.
Dark Blue Mercury Marquis, Wisconsin License
Y6 9754, parked in North lot of Shorecrest
Hotel located at 1962 N. Prospect Ave.

5:30 PM SA [redacted] vehicle remain at above location

5:43 PM SA [redacted] JOE BAKISTRICI AND [redacted] exit
front entrance of Shorecrest Hotel and
begin walking south along the east side
of Prospect Ave. BAKISTRICI AND [redacted]
are conversing while walking.

5:46 PM SA BAKISTRICI AND [redacted] turn left on
E. Kane Pl., continue walking east along
north side of street still conversing.

6:30 PM SA [redacted] vehicle remain parked in North
lot at Shorecrest Hotel. License plates
[redacted] AND [redacted] obscured on
vehicles parked directly in front of
Shorecrest Hotel. - Surveillance suspended

8:55 PM Spot check of Shorecrest Hotel, [redacted]
[redacted] vehicle gone.

9:00 PM Surveillance terminated

SA [redacted] FBI Milwaukee, WI. 8/28/85
SA [redacted] FBI Mil., Wis 8/28/85
[redacted]

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b7c

FEDERAL BUREAU OF INVESTIGATION

1Date of transcription 8/29/86

Pursuant to a search of the Hotel, Motel Restaurant Employees and Bartenders Union, Local 122, at 231 West Wisconsin Avenue, Milwaukee, Wisconsin, Special Agent [redacted] located a mailing list on the top of the first file cabinet located on the east wall in the main secretary's area of the union office. This mailing list contained peel-off labels for each of the addressees. This list was compared to the names of employees of Sally's Restaurant to determine if any of the employees were on the union's mailing list. This comparison reflected that only two of the names on Schedule A were on the union's mailing list. These were those of [redacted] and [redacted]. None of the other names on Schedule A were found to be on the mailing list.

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Investigation on 8/20/86 at Milwaukee, Wisconsin File # MI 183A-580-498

by SA [redacted]

cal

Date dictated 8/26/86

FEDERAL BUREAU OF INVESTIGATION

1b6
b7cDate of transcription 6/7/85

The following observations were made by Special Agents [redacted] and [redacted] on June 5, 1985, in Milwaukee, Wisconsin:

TimeObservation

2:51 p.m.

[redacted]
observed engaged in conversation while walking east on Lafayette Street between Prospect and Summit. They were further observed to walk south on Summit and enter the northeast parking lot of the SHORECREST HOTEL.

2:54 p.m.

A dark blue Mercury vehicle bearing Wisconsin license YG9754 was observed parked in the southwest parking lot at the SHORECREST HOTEL.

2:57 p.m.

[redacted] was observed driving south on North Farwell Avenue. [redacted] was followed to the area of Plankinton and Wisconsin Avenues where the surveillance was discontinued at 3:06 p.m.

Department of Motor Vehicles, Madison, Wisconsin, advised on June 5, 1985, that Wisconsin license YG9754 is registered to Hotel, Motel, Restaurant Employees and Bartenders Union, Local #1, 135 West Wells Street, Room 418, Milwaukee, Wisconsin. This vehicle is described as a 1984 Mercury, four-door, Vehicle Identification Number (VIN) 1MEBP95F0E2638871.

Investigation on 6/5/85 at Milwaukee, Wisconsin File # MI 183A-580-85
by SA [redacted] JMD/cal) Date dictated 6/5/85

FEDERAL BUREAU OF INVESTIGATION

Date of transcription 7/16/851

On June 28, 1985 at approximately 11:55 AM, Special Agent (SA) [] entered THE SHORECREST located at 1962 North Prospect Avenue, Milwaukee, Wisconsin. Observed directly in front of the registration desk was one [] conversing with one JOSEPH BALISTRERI. Subsequently BALISTRERI departed towards the elevators and [] proceeded to enter the SHORECREST restaurant, located in same building. [] was observed on the restaurant telephone, talking to an unknown party. Said telephone was observed to be located on the restaurant reception desk, which is located in the immediate right of the entrance to the restaurant. At approximately 12:05 PM, SA [] exited location.

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Investigation on 6/28/85 at Milwaukee, Wisconsin File # MI 183A-580-133 CIA-4

by SA [] /dw Date dictated 7/9/85

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FEDERAL BUREAU OF INVESTIGATION

Date of transcription 9/3/85

1

On August 29, 1985, Special Agent (SA) [redacted] and SA [redacted] instituted a surveillance in the vicinity of 1962 North Prospect Avenue, Milwaukee, Wisconsin, of the SHORECREST HOTEL and SNUG'S RESTAURANT. The surveillance was begun at 10:50 AM. At 1:30 PM, SA [redacted] observed subject's vehicle parked outside the front entrance to SNUG'S RESTAURANT. The subject's vehicle is a 1984, four door, dark blue, Mercury Marquis, Wisconsin license YG9754.

At 1:35 PM, SA's [redacted] entered SNUG'S RESTAURANT and observed the subject standing at the north end of the bar. Also present at the north end of the bar were [redacted] and three unknown subjects.

At 1:42 PM, subject was seen talking on the telephone located at the north end of the bar. At 1:45 PM, JOE BALISTRIERI entered SNUG'S from the SHORECREST HOTEL, walked through the dining area and proceeded to the bar adjacent to the subject. A short time later, subject and JOE BALISTRIERI exited SNUG'S RESTAURANT and proceeded into the SHORECREST HOTEL. At this time the subject is seen carrying a light blue folder.

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At 1:51 PM, the subject is seen re-entering SNUG'S from the SHORECREST HOTEL and returned to his place at the bar.

The subject exited SNUG'S at approximately 2:17 PM, and proceeded to his vehicle. He is observed leaving, traveling north on Prospect.

At 2:30 PM, JOHN BALISTRIERI entered SNUG'S from the SHORECREST HOTEL, scanned the diningroom, observing all of its patrons and then returned inside the SHORECREST.

At 2:35 PM, SA's [redacted] and [redacted] leave SNUG'S and at this point surveillance is terminated.

Investigation on 8/29/85 at Milwaukee, Wisconsin File # MI 183A-580 S.A.A-18

by SA [redacted] (CRW/dw) Date dictated 8/29/85
SA [redacted]

MI 183A-580

Continuation of interview of SURVEILLANCE OF SHORECREST HOTEL/SNUG'S RESTAURANT , Page 2*

follows: The unknown subject mentioned above is described as

Race:	White
Sex:	Male
Age:	40-45
Height:	5'8" to 5'9"
Weight:	165 to 170 pounds
Hair:	Gray
Glasses:	Dark black prescription glasses with thick lenses

FEDERAL BUREAU OF INVESTIGATION
FOIPA
DELETED PAGE INFORMATION SHEET

No Duplication Fees are charged for Deleted Page Information Sheet(s).

Total Deleted Page(s) ~ 69

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